ANNUAL REPORT
2011/2012

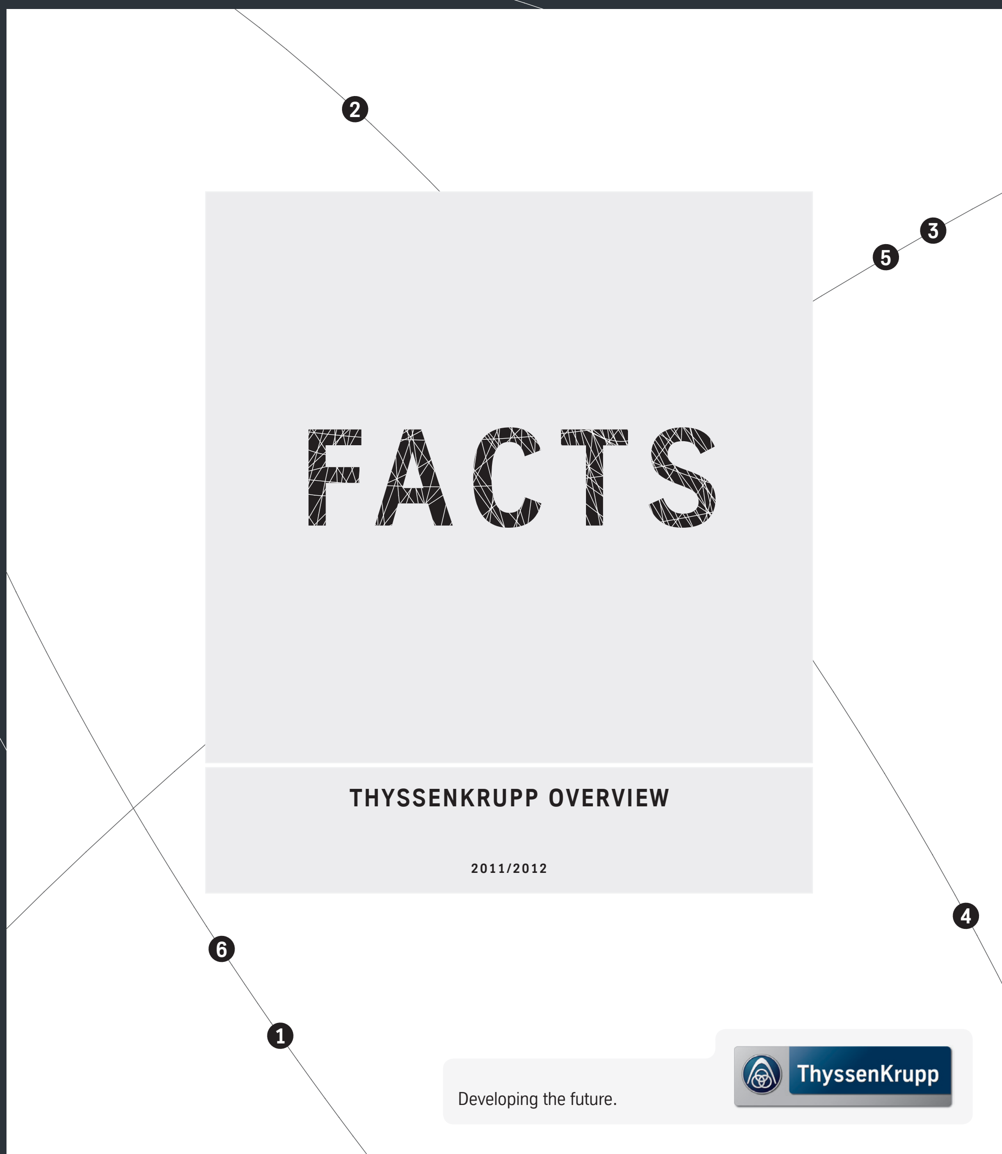
ING.

INGENIEURKUNST

ENGINEERING OR THE ABILITY TO CONNECT COMPETENCIES

Developing the future.

ThyssenKrupp



Our fiscal year begins on October 01 and ends on September 30 of the following year.

This annual report was published to coincide with the Annual Press Conference on December 11, 2012.

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ANNUAL REPORT
2011/2012

INGENIEURKUNST

People associate engineering with many positive attributes and skills: intelligence, creativity, ingenuity and persuasiveness. Usually, engineering is only revealed on closer inspection. It's the foundation on which our customers build their innovations.

Letter to shareholders

Dr.-Ing. Heinrich Hiesinger
Chairman of the Executive Board

Dear Shareholders,
Ladies and Gentlemen,

A very difficult year lies behind us. In particular, the dramatic negative developments at Steel Americas have been and remain an enormous burden for our Group. That is why we decided in May 2012 to examine strategic options for the Steel Americas business area and offer the two plants for sale. As a consequence, we immediately had to classify Steel Americas as a discontinued operation and therefore had to revalue the business area at fair value. This revaluation resulted in an impairment charge of €3.6 billion, which had a severe impact on our earnings in the past fiscal year. The sale process is proceeding to plan and I am confident we will find a solution for both plants in the course of the new fiscal year. At the same time, our financing and liquidity remain on a secure basis.

But it is also clear that the serious economic mistakes in the Steel Americas projects and the recent compliance infringements have cost your Company, and thus you as shareholders, a great deal of money. The Group has also lost trust and credibility. Given these circumstances, we could not simply carry on as before.

For this reason, the Supervisory Board together with the Executive Board investigated the reasons for the failures at Steel Americas. External experts carried out an efficiency audit of the work of the Supervisory Board. This confirmed that in all phases of the project, the Supervisory Board implemented the rules of corporate governance at a high level and responsibly performed the duties incumbent on it under stock corporation law. It was found that many of the assumptions made by the then Executive Board and presented to the Supervisory Board were clearly too optimistic or were subsequently shown to be wrong. But to carry out its duties, the Supervisory Board is highly dependent on information from the Executive Board. As Steel Americas resulted in this enormous financial burden for the Group, the Executive Board must take responsibility for these serious mistakes.

With its decision to make personnel changes on the Executive Board, the Supervisory Board has sent a clear signal for a fresh start. It did so in close consultation with myself and therefore has my full support. Olaf Berlien, Jürgen Claassen and Edwin Eichler have agreed to the mutual termination of their appointments. They deserve great respect for this step, and I would like to sincerely thank Olaf Berlien, Jürgen Claassen and Edwin Eichler. They are making a significant contribution to overcoming the crisis. And they are giving the necessary change in culture a real chance, so that issues from the past will not permanently block the way forward. We will make full use of this chance and rigorously drive forward the already begun process of change. The recent compliance cases show that a lot has gone wrong in our Group in the past. But they also show that we are now clearing things up and taking firm action. We will establish a modern standard for the understanding and practice of leadership throughout the Company. Our maxim is: Leaders at ThyssenKrupp act honestly, responsibly, and as role models. I expect everyone to embrace and live by this standard.

The process of change now underway will take a lot of time and effort. But it is a prerequisite for winning back lost trust and at the same time increasing our efficiency and our profitability. I am confident we will succeed. For despite all the burdens from the past, it is already clear that our holistic plan for strategic development is right, and we have already achieved important successes, in particular in optimizing our portfolio.

In May 2011 we announced we would be divesting businesses with sales of more than €10 billion. As promised, we completed this enormous task within 18 months and have found new owners or other sustainable solutions for all the businesses put up for sale. Of particular importance for us was the approval by the EU Commission in November 2012 of the combination of our stainless steel business Inoxum with the Finnish competitor Outokumpu. The transaction can now be closed by the end of the 2012 calendar year. This will significantly reduce our debt. Without Inoxum, Steel Americas and a few smaller disposals, steel production's share of sales is reduced from 40 percent to just under 30 percent. To put it another way: 70 percent, the far larger share, is generated by material and logistics services and capital goods businesses.

But optimizing our business portfolio alone is not enough to improve the Group's earning power on a sustainable basis. Above all we must improve our operating performance and reduce costs. The corporate program "impact", which already delivered a positive EBIT effect of more than €300 million in the past fiscal year, will contribute a cumulative EBIT effect of €2 billion over the next three fiscal years. In addition, in the future we will be measuring our performance more systematically against that of competitors. For this we have carried out extensive benchmarking projects. We now have a better view of where there is potential for improvement in our operating business, and also where the capital employed in our Group can create the most value.

But these urgently required operating improvements will only make a sustainable contribution to our success if at the same time we change our leadership culture and the way we work together. We want to become faster, more efficient and more connected. To this end we are currently examining our entire leadership model. We are redefining processes, optimizing structures, and clarifying roles, rules and responsibilities. Our aim is to have these changes implemented by October 2013. The new leadership structure will also include building a strong regional organization in selected growth countries. We as ThyssenKrupp will combine our strengths better in the future and involve the regions far more closely in growth and earnings improvements. In the past fiscal year we started building regional structures in our most important foreign markets North America, Brazil, India and China.

In terms of our operating business we met our targets. Adjusted EBIT from continuing operations (excluding Inoxum but including Steel Americas) was in the expected magnitude of €399 million in fiscal 2011/2012. But due to the large impairment charges, in particular at Steel Americas, and the high losses of the discontinued operations, EBIT for the Group as a whole was €(4.4) billion. However, a look at the future continuing operations – i.e. our future structure without Steel Americas and Inoxum – already shows the Group's increasing earning power: Adjusted EBIT from continuing operations came to €1.4 billion. All continuing business areas contributed to this with positive adjusted EBIT: Steel Europe and Material Services achieved unconsolidated adjusted EBIT of €0.6 billion. The performance of our capital goods businesses was less volatile and much more robust, with unconsolidated adjusted EBIT of €1.7 billion. Order intake and sales were down from the prior year at €42.3 billion and €40.1 billion respectively, mainly due to volume- and price-related decreases in the materials activities. In our capital goods activities, orders and sales reached a new record high.

Net financial debt at the end of the fiscal year was held as planned at the level of the 3rd quarter – around €5.8 billion. Our financing and liquidity remain on a secure basis. Despite this, sustainably improving our cash inflows and reducing our net debt continue to be our main priorities in the current fiscal year. The sale of Inoxum and Steel Americas will contribute significantly to this.

The economic climate remains difficult and is beset with uncertainties, mainly due to the unresolved debt problems in the euro zone and the slower growth of the emerging economies. Though no major recovery is in sight for the 2012/2013 fiscal year, we expect the Group's sales to remain steady at the prior-year level. We assume there will be no major dislocations on the raw materials markets. If the slower activity on the materials markets at the beginning of the new fiscal year compared with the prior year continues, adjusted EBIT from the Group's continuing operations should come to around €1 billion.

You know ThyssenKrupp as a company that traditionally attaches great importance to dividend continuity. Continuity also involves paying a dividend in bad years – where financially justifiable. As a result of the net loss generated by ThyssenKrupp AG in the past fiscal year, no unappropriated income is reported at September 30, 2012. A dividend payment is therefore not possible this year. We understand that this is a painful step for you, our shareholders. But in view of the Group's loss and our high net financial debt, there is unfortunately no scope for a dividend.

I am aware that we are expecting you to be very patient. But you have also seen that we follow our words with actions and keep our promises.

In the current fiscal year we will continue to put all our energy into making ThyssenKrupp successful again. We will succeed in this because we have outstanding strengths:

- Fantastic employees who with all their heart and great commitment do great work for the company every day and with very few exceptions comply with law and order.
- Engineers and developers with enormous knowledge who constantly come up with something new.
- Loyal customers who continue to trust us and recognize our achievements.
- And five business areas which are profitable and keen to make more use of market opportunities with more investment.

The path to a successful future will not be easy, and it will take time. But I am confident that we will reach our goal – together, with courage and with confidence. The Group deserves it. The employees deserve it. And so do you. That is why I ask you to place your trust in us once again.

Yours,

Heinrich Hiesinger

Dr.-Ing. Heinrich Hiesinger
Chairman of the Executive Board

Essen, December 2012

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TO OUR SHAREHOLDERS

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TO OUR SHAREHOLDERS

Good corporate governance calls for trusting cooperation between the Executive Board and the Supervisory Board – in the interest of the Company and with the aim of sustainably enhancing its value. In the following section we provide information about the two bodies, their work, and our share performance in the reporting year.

Executive Board and Supervisory Board

Executive Board

DR. ING. HEINRICH HIESINGER
Chairman, born 1960, member of the Executive Board since 2010, appointed until September 30, 2015, responsible for the Corporate Centers Corporate Development, Technology, Innovation & Quality, Executives Management, Information Technology and Internal Auditing as well as for the ThyssenKrupp Academy. Under the corporate program “impact” responsible for the “Innovation & Technology” and “Performance & Portfolio” initiatives.

DR. OLAF BERLIEN
also Executive Board Chairman of ThyssenKrupp Elevator AG, born 1962, member of the Executive Board since 2002, appointed until December 31, 2012, responsible for the business areas Elevator Technology, Plant Technology, Components Technology and Marine Systems. Responsible for the regions Asia/Pacific and Middle East & North Africa. Under the corporate program “impact” responsible for the “Customers & Markets” initiative.

DR. JÜRGEN CLAASSEN
born 1958, member of the Executive Board since 2011, appointed until December 31, 2012, responsible for the Corporate Centers Legal, Compliance, Corporate Communications, Corporate Programs, Corporate Sustainability, Environment & Politics and Corporate Affairs as well as for ThyssenKrupp Management Consulting. Responsible for the regions Western Europe I and Africa. Under the corporate program “impact” responsible for the “People & Development” initiative.

EDWIN EICHLER
also Executive Board Chairman of ThyssenKrupp Steel Europe AG, born 1958, member of the Executive Board since 2002, appointed until December 31, 2012, responsible for the business areas Steel Europe, Materials Services, Steel Americas and Stainless Global. Responsible for the regions North and South America, Russia/Central Asia and Central and Eastern Europe. Under the corporate program “impact” responsible for the “Customers & Markets” initiative.

GUIDO KERKHOFF
born 1967, member of the Executive Board since 2011, appointed until March 31, 2016, responsible for the Corporate Centers Controlling & Risk, Accounting & Financial Reporting, Corporate Finance, Taxes & Customs, Investor Relations, Materials Management and Mergers & Acquisitions as well as for Group Standards and ThyssenKrupp Risk and Insurance Services. Under the corporate program “impact” responsible for the “Performance & Portfolio” initiative.

RALPH LABONTE
born 1953, member of the Executive Board since 2003, appointed until March 31, 2013, responsible for the Corporate Center Human Resources and ThyssenKrupp Business Services, ThyssenKrupp IT Services, ThyssenKrupp Corporate Services and ThyssenKrupp Real Estate. Responsible for the regions Germany and Western Europe II. Under the corporate program “impact” responsible for the “People & Development” initiative.

Supervisory Board

Prof. Dr. h.c. mult. Berthold Beitz, Essen
Honorary Chairman, Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation

Prof. Dr. Günter Vogelsang, Düsseldorf
Honorary Chairman

Dr. Gerhard Cromme, Essen
Chairman,
former Chairman of the Executive Board of ThyssenKrupp AG

Bertin Eichler, Frankfurt/Main
Vice Chairman,
Member of the Executive Committee of the IG Metall trade union

Martin Dreher, Heilbronn
(since August 10, 2012)
Retail clerk
Chairman of the Works Council of ThyssenKrupp System Engineering GmbH (Heilbronn) and Chairman of the Works Council Union of the Plant Technology business area

Markus Grolms, Frankfurt/Main
IG Metall trade union secretary

Susanne Herberger, Dresden
Engineer (FH) – information technology, Chairwoman of the General Works Council of ThyssenKrupp Aufzüge GmbH and Chairwoman of the Works Council Union ThyssenKrupp Elevator Technology

Bernd Kalwa, Krefeld
Lathe operator, Chairman of the General Works Council of ThyssenKrupp Nirosta GmbH and Chairman of the Works Council Union ThyssenKrupp Inoxum

Prof. Dr. Hans-Peter Keitel, Essen
President of the Federation of German Industries (Bundesverband der Deutschen Industrie e.V.)

Ernst-August Kiel, Blumenthal
Fitter, Chairman of the Works Council of Howaldtswerke-Deutsche Werft GmbH and Chairman of the Works Council Union ThyssenKrupp Marine Systems

Prof. Dr. Ulrich Lehner, Düsseldorf
Member of the Shareholders' Committee of Henkel AG & Co. KGaA

Sabine Maaßen, Dinslaken
Legal counsel to IG Metall

Prof. Dr. Bernhard Pellens, Bochum
Professor of Business Studies and International Accounting, Ruhr University Bochum

Peter Remmler, Wolfsburg
Wholesale and export trader, Chairman of the Works Council of ThyssenKrupp Schulte GmbH (Braunschweig) and Chairman of the Works Council Union ThyssenKrupp Materials Services

Dr. Kersten v. Schenck, Bad Homburg
Attorney and notary public

Thomas Schlenz, Duisburg
(until July 31, 2012)
Member of the Executive Board of ThyssenKrupp Steel Europe AG

Carola Gräfin v. Schmettow, Düsseldorf
(since January 30, 2012)
Member of the Management Board of HSBC Trinkaus & Burkhardt AG

Prof. Dr.-Ing. Ekkehard D. Schulz, Krefeld
(until December 31, 2011)
Former Chairman of the Executive Board of ThyssenKrupp AG

Wilhelm Segerath, Duisburg
Automotive bodymaker, Chairman of the Group Works Council of ThyssenKrupp AG

Peer Steinbrück, Bonn
(until December 31, 2012)
Member of the German Parliament,
Federal Minister (retd.)

Christian Streiff, Paris
Former President of PSA Peugeot Citroën S.A.

Jürgen R. Thumann, Düsseldorf
Chairman of the Advisory Board of the Heitkamp & Thumann Group

Prof. Dr. Beatrice Weder di Mauro, Frankfurt/Main
Professor of Economics,
Economic Policy & International Macroeconomics,
Johannes Gutenberg University of Mainz

Klaus Wiercimok, Düsseldorf
Attorney, Head of the Materials Services department at Corporate Center Legal of ThyssenKrupp AG

As at: December 10, 2012

Supervisory Board Committees

Executive Committee
Dr. Gerhard Cromme (Chair)
Bertin Eichler
Wilhelm Segerath
Jürgen R. Thumann

Mediation Committee under Art. 27 par. 3 Codetermination Act
Dr. Gerhard Cromme (Chair)
Bertin Eichler
Wilhelm Segerath
Jürgen R. Thumann

Personnel Committee
Dr. Gerhard Cromme (Chair)
Bertin Eichler
Wilhelm Segerath
Jürgen R. Thumann

Audit Committee
Prof. Dr. Bernhard Pellens (Chair)
Dr. Gerhard Cromme
Bertin Eichler
Susanne Herberger
Prof. Dr. Ulrich Lehner
Wilhelm Segerath

Strategy, Finance and Investment Committee
Dr. Gerhard Cromme (Chair)
Bertin Eichler
Markus Grolms
Susanne Herberger
Bernd Kalwa
Prof. Dr. Hans-Peter Keitel
Dr. Kersten v. Schenck
Peer Steinbrück (until December 31, 2012)

Nomination Committee
Dr. Gerhard Cromme (Chair)
Prof. Dr. Bernhard Pellens
Jürgen R. Thumann
Prof. Dr. Beatrice Weder di Mauro

Report by the Supervisory Board

Looking back on a difficult fiscal year 2011/2012, the Supervisory Board reports on the key areas of its monitoring and advisory activities: the business and financial situation of the Group, the implementation of the strategic development program, and in particular the combination of Inoxum with Outokumpu, and the prospects for the Steel Americas business area.

Dr. Gerhard Cromme
Chairman of the
Supervisory Board

Advising and monitoring the Executive Board

In fiscal year 2011/2012 the Supervisory Board again regularly advised the Executive Board on the management of the Company and continuously supervised its conduct of business. We satisfied ourselves that business complied with all legal and regulatory requirements at all times. The Executive Board fulfilled its duty to inform and furnished us with regular written and verbal reports containing up-to-date and comprehensive information on all incidents and measures of relevance to the Company. This also included information on budget variances. In the committees and in full Supervisory Board meetings, the members of the Supervisory Board always had ample opportunity to critically examine the reports and resolution proposals submitted by the Executive Board and contribute suggestions. In particular, we discussed intensively and examined the plausibility of all transactions of importance to the Company on the basis of written and verbal reports by the Executive Board. Thanks to a significantly improved analysis of the value potential of the Group's businesses and the opportunities and risks of strategic steps, critical operating issues were presented to the Supervisory Board in a clear and differentiated way. Where required by law and the Articles of Association, we provided our approval of individual business transactions.

The attendance rate at Supervisory Board meetings was 96%.

One extraordinary and four regular Supervisory Board meetings were held in the 2011/2012 fiscal year. The average attendance rate was 96%. No Supervisory Board member took part in fewer than half the meetings. With two exceptions, the committee meetings were fully attended.

In the periods between meetings, the Supervisory Board Chairman and the Chairman of the Audit Committee engaged in a close and regular exchange of views and information with the Executive Board and were informed about major developments. The Supervisory Board Chairman and Audit Committee Chairman reported on important findings immediately in the following Supervisory Board or Committee meeting.

Before the Supervisory Board meetings the shareholder and the employee representatives each held separate meetings to discuss the items on the agendas, the time allotted for which was extended. There were no indications of conflicts of interest of Executive Board and Supervisory Board members, which must be disclosed to the Supervisory Board immediately and reported to the Annual General Meeting.

Work in the committees

To perform its functions efficiently and to support focused discussion of the issues, the Supervisory Board has formed six committees. They prepare the resolutions of the Supervisory Board as well as the issues to be dealt with at the full meetings. Where legally permissible, in suitable cases decision-making powers of the Supervisory Board have been delegated to individual committees. All committees are chaired by the Supervisory Board Chairman, with the exception of the Audit Committee. The content and results of each committee meeting are immediately communicated to the Supervisory Board. The compositions of the committees are shown on page 5 of the Annual Report.

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Executive Committee

The Executive Committee (Praesidium) met six times in the reporting year. As Chairman, I also maintained close contact with the individual members between meetings to discuss projects of particular importance. In addition to preparing the full Supervisory Board meetings, our main subjects of deliberation were the financial position, earnings performance and ratings situation of the Group, the implementation of the strategic development program including the combination of the Inoxum group with Outokumpu, the operating situation and strategic prospects of the Steel Americas business area, and in a meeting on December 10, 2012 impairment charges in the Steel Americas business area.

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Personnel Committee

The Personnel Committee likewise met six times. It prepared the Supervisory Board resolutions amending the parameters for variable Executive Board compensation and establishing the compensation for Executive Board members. Details of the compensation system are presented in the compensation report on pages 23-25. Other key topics were Executive Board personnel matters, which were then subsequently also discussed by the full Supervisory Board. The Personnel Committee also approved the retention of the law firm Clifford Chance, for which Supervisory Board member Dr. Kersten v. Schenck worked as Of Counsel until June 30, 2012, as well as the retention of HSBC Trinkaus & Burkhardt AG as investment bank, where Supervisory Board member Gräfin v. Schmettow is a member of the management board.

In connection with the appraisal of the so-called rail cartel, the Personnel Committee addressed the allegations that an Executive Board member had not been vigorous enough in following up tips received in 2006 about cartel agreements among rail manufacturers. The Personnel Committee had these allegations investigated externally by a renowned criminal lawyer and a recognized company law expert. The Personnel Committee also dealt with allegations in media reports concerning press and other trips by Executive Board members and approved an investigation into the trips by the Compliance department with the support of external experts.

Mediation Committee

Once again in the reporting year it was not necessary to convene the Mediation Committee formed in accordance with § 27 par. 3 German Codetermination Act (MitbestG).

Audit Committee

The Audit Committee held five meetings in fiscal 2011/2012 which, alongside the committee members, were regularly attended by representatives of the financial statement auditors, the Chairman of the Executive Board, the Chief Financial Officer and the Chief Compliance Officer. For selected agenda items, further Executive Board members and heads of the responsible departments also took part. The committee mainly dealt with the parent-company and consolidated financial statements for 2010/2011, the monitoring of the accounting process, and the effectiveness of the internal control system, risk management system and internal auditing system. The 2011/2012 interim reports were discussed at length prior to their publication. The auditors reported in detail on all occurrences of significance to the work of the Supervisory Board identified in the course of the audit of the annual financial statements and the audit review of the interim reports.

Ahead of the Annual General Meeting on January 20, 2012, a proposal was submitted to the full Supervisory Board to propose to the Annual General Meeting the election of KPMG AG Wirtschaftsprüfungsgesellschaft as financial statement auditors for the 2011/2012 fiscal year. After their election by the Annual General Meeting, the auditors were engaged by the Audit Committee to audit the parent-company and consolidated financial statements and to carry out audit reviews of the interim reports; a corresponding agreement was concluded with the auditors. In the reporting year, the auditors again declared to the Audit Committee that no circumstances exist which could lead to the assumption of prejudice on their part. They also reported on the non-audit services they had performed for the Group. The Audit Committee obtained the required auditors' statement of independence and monitored the qualification of the auditors. A further central issue was the tender process for the audit contract. The Audit Committee, on behalf of the Supervisory Board, addressed the relevant status of the tender process at each meeting and after detailed discussions recommended to the Supervisory Board for its meeting in September 2012 that a proposal be made to the next Annual General Meeting on January 18, 2013 to elect PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft as the new financial statement auditors. The full Supervisory Board followed this proposal unanimously.

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Compliance was a regular topic in the meetings of the Audit Committee.

The committee was regularly and fully informed in its meetings about the Group's compliance activities, which were then also regularly addressed in the full Supervisory Board meetings. We also dealt with the so-called rail cartel on several occasions and gave our full support to the measures undertaken by the Executive Board. In this connection the Audit Committee also addressed the allegations made against an Executive Board member regarding his role in the rail cartel. In addition the Audit Committee also discussed the allegations in media reports concerning press and other trips by Executive Board members and approved an investigation into the trips by the Compliance department with the support of external experts. These matters were likewise discussed in the subsequent full Supervisory Board meetings. The Supervisory Board's fundamental understanding of compliance is that the management bears corporate responsibility for observing laws and statutes beyond the individual duties of an Executive Board member. At the proposal of the Executive Committee, which was discussed and supported by the Audit Committee, the Supervisory Board therefore passed a resolution in its meeting on November 21, 2012 emphasizing that the Executive Board's corporate responsibility for compliance goes beyond personally avoiding breaches of duty and clearly stating that the full range of personnel measures can be brought to bear in the event of serious or repeated compliance infringements in the area of responsibility of an Executive Board member.

The ongoing discussion of the investment projects in Brazil and the USA and the operating situation and strategic prospects of the Steel Americas business area also continued in the Audit Committee in the reporting year. Further, the committee studied the audit plan and quality management system of the Group's internal auditing department, the results of audits carried out, and regular reports on legal risks. On this basis it satisfied itself that the management of the Company is in compliance with the law. The Audit Committee also reviewed the efficiency of its own activities and discussed the findings at its meeting in November 2011.

In its meeting on December 10, 2012, the Audit Committee – based on knowledge available from the initiated bidding process for the Steel Americas business area – discussed at length impairment charges in this business area and their impact on the consolidated and parent-company financial statements. It also dealt in detail with the changes made to the risk management system in connection with the revised Group policy.

Strategy, Finance and Investment Committee

In two meetings in fiscal 2011/2012, the Strategy, Finance and Investment Committee dealt primarily with the implementation of the Group's strategic development program and the situation of the individual business areas. Further key topics were the combination of Inoxum with Outokumpu, the operating situation and strategic prospects of the Steel Americas business area, the planned further disposal projects, and the Group's corporate and investment planning and preparation of corresponding Supervisory Board resolutions.

Nomination Committee

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The Nomination Committee met twice in the reporting year. It proposed Gräfin v. Schmettow to the Supervisory Board as successor to Prof. Dr.-Ing. Schulz. The committee also discussed the Supervisory Board's targets as regards its composition and submitted proposals on this to the full Supervisory Board. Details on this are contained in the corporate governance report.

Topics of full Supervisory Board meetings

The meeting on December 02, 2011 focused on the parent-company and consolidated financial statements for the year ended September 30, 2011, the impairment charges in the Steel Americas and Stainless Global business areas, and the Executive Board's proposal for the appropriation of net income. We reported on this in detail in the last Annual Report. On the basis of detailed documents and a resolution recommendation by the Strategy, Finance and Investment Committee, we also adopted the corporate and investment planning for the 2011/2012 fiscal year, taking various risk scenarios into account. There were detailed discussions on the status of the combination of the Inoxum group with Outokumpu, and on the progress of further divestment projects. In connection with the Group's strategic development program, another important topic was strengthening our regional presence outside Europe. The Supervisory Board backed the Executive Board's plans to further strengthen the Group's market position in these regions. We also used the debate on the state of the Group to discuss the rating situation and the use of financing instruments with the Executive Board. The Supervisory Board also adopted the agenda for the Company's Annual General Meeting on January 20, 2012 together with the proposals for resolution. In addition, we approved the sale of ThyssenKrupp Automotive Systems do Brasil. The Executive Board also provided a progress report on the tender process for the financial statement audit contract.

In our meeting before the Annual General Meeting on January 20, 2012, the Executive Board reported on the current state of the Group and the status of talks on combining the Inoxum group with Outokumpu. We gave particular attention to the reports commissioned from Hengeler Mueller and Linklaters reviewing the compliance of the Executive Board and Supervisory Board with their duties under stock corporation law in connection with the steel mill projects in Brazil and the USA. Both reports conclude that the Supervisory Board and Executive Board cannot be accused of any breaches of duty under stock corporation law. In this meeting the Supervisory Board followed the recommendation by the Nomination Committee to appoint Gräfin v. Schmettow to the Supervisory Board as successor to Prof. Dr.-Ing. Schulz. In this meeting we elected Prof. Dr. Keitel as successor to Prof. Dr.-Ing. Schulz on the Strategy, Finance and Investment Committee. We also adopted a modified formula for calculating bonus payments to the Executive Board. Finally, we approved the disposal of the civil shipbuilding operations of Blohm + Voss to the private equity group Star Capital.

An extraordinary Supervisory Board meeting was held on January 31, 2012, mainly to discuss the combination of Inoxum with Outokumpu. On the basis of detailed information, the Supervisory Board approved the business combination.

A further Supervisory Board meeting was held on May 15, 2012. In addition to the report on the state of the Group, our discussions centered on the implementation of the strategic development program. The Executive Board reported in particular on the strategic prospects for the Steel Americas business area, which we appraised and discussed critically. The Supervisory Board supported the Executive Board's plan to examine all strategic options for the two plants in Brazil and the USA. In connection with the further development of the Group, the Executive Board reported to us at length about matrix organizations. The meeting further addressed possible future developments in raw material prices and their impact on the Group. The Executive Board also reported on the implementation of the corporate program impact and the corporate mission statement, as well as on current compliance issues. In addition, the Executive Board presented a detailed report on information security in the Group, which was also addressed by the Audit Committee. Finally, we approved the disposal of the US foundry Waupaca to KPS Capital Partners and the realization of the second development phase of the ThyssenKrupp Quarter on the basis of a liquidity-preserving lease model.

In the Supervisory Board meeting on September 07, 2012, the Executive Board once again reported in depth on the current state of the Group and the ratings situation. We again closely examined the operating and strategic prospects for the Steel Americas business area and discussed with the Executive Board the intention to sell based thereon. Further, the Executive Board presented a report on management development, which is increasingly gaining in importance in view of the internationalization of the Group. As in previous years, another topic of the September meeting were current developments in corporate governance, including the changes to the Code resolved by the Government Commission on the German Corporate Governance Code on May 15, 2012. In particular, the targets of the Supervisory Board with regard to its composition were modified and the Rules of Procedure for the Supervisory Board, the Audit Committee and the Executive Board were amended. After regular progress reports on the tender process for the audit contract by the Chairman of the Audit Committee in previous Supervisory Board meetings, at the proposal of the Audit Committee we resolved to propose to the Annual General Meeting on January 18, 2013 that PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft be engaged to audit the consolidated and parent-company financial statements and to carry out audit reviews of the interim reports for fiscal year 2012/2013. We elected Mr. Segerath to the Executive Committee, the Personnel Committee and the Mediation Committee in accordance with § 27 par. 3 MitbestG as successor to Mr. Schlenz, and Ms. Herberger to the Audit Committee as successor to Mr. Schlenz. The meeting was followed by an information event on the subject of energy and the environment. A detailed presentation by the Executive Board and the subsequent discussion provided us with a picture of current developments and their effects on the Group.

Supervisory Board efficiency review

The subject of an extraordinary Supervisory Board meeting on November 20, 2012 was a comprehensive efficiency review of the Supervisory Board to examine the work and decisions of the Supervisory Board in connection with the steel mill projects in Brazil and the USA. For this efficiency review, two expert opinions were drawn up by a recognized expert on corporate governance issues and by the law firm Linklaters. The authors explained their reports in the meeting and were available to answer additional questions.

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The Supervisory Board meets standards of good corporate governance at a high level.

The report on the corporate governance issues comes to the conclusion that the Supervisory Board and its responsible committees met the standards of good corporate governance at a high level in monitoring and advising the Executive Board. The report finds that the Supervisory Board was involved in the relevant company decisions in accordance with these standards and – supported by appropriate committees – intensively monitored the implementation of these decisions. The Supervisory Board made active use of its possibilities for securing adequate information and, for example, commissioned a number of internal and external audit reports. In this connection, the report particularly highlights the fact that as early as the decision-making phase, the Supervisory Board raised numerous critical questions regarding key points which later proved to be the causes of problems. The expert's proposals to further enhance the efficiency of supervision are currently being examined. Decisions on their implementation will be made at the next meetings of the Supervisory Board.

The report on duty of care under stock corporation law concludes that the Supervisory Board comprehensively met its obligations under stock corporation law at all times. The report notes that the Supervisory Board raised all relevant questions on the issues which in retrospect proved to be the main problems of the Steel Americas projects, discussed them critically with the Executive Board, and questioned at length the basic assumptions made by the Executive Board. It also states that the Supervisory Board and its committees dealt with the critical issues and difficulties in connection with the Steel Americas projects to an extent and intensity going well beyond the normal level of appraisal by a supervisory board.

The Supervisory Board discussed the findings of the expert opinions in detail and issued a separate statement on the subject of Steel Americas which is reproduced in the following section of the Annual Report. In addition, the Supervisory Board commissioned the law firm Hengeler Mueller to update the report it produced in January 2012 into possible breaches of duty of relevance under liability law by former or current members of the Executive Board, taking into account knowledge now available. The Executive Board reported to us that possible liability-relevant breaches of duty by board members of ThyssenKrupp Steel Europe AG in connection with the Steel Americas projects are also being reinvestigated.

Corporate Governance and Declaration of Conformity

The Supervisory Board continually monitors the implementation of the provisions of the German Corporate Governance Code and the development of corporate governance standards. The Executive Board – also on behalf of the Supervisory Board – reports on corporate governance at ThyssenKrupp in accordance with section 3.10 of the German Corporate Governance Code. This report is published together with the corporate governance declaration on the Company's website and in the Annual Report.

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The Executive Board and Supervisory Board issued an updated Declaration of Conformity in accordance with § 161 subs. 1 of the German Stock Corporation Act (AktG) at October 01, 2012, which is permanently available to shareholders on the Company website.

Audit of the parent-company and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft audited the parent-company financial statements for the fiscal year October 01, 2011 to September 30, 2012 prepared by the Executive Board in accordance with HGB (German GAAP) rules, and the management report of ThyssenKrupp AG. The auditors issued an unqualified audit opinion. In accordance with § 315a HGB, the consolidated financial statements of ThyssenKrupp AG for the fiscal year from October 01, 2011 to September 30, 2012 and the management report on the Group were prepared on the basis of International Financial Reporting Standards (IFRS) as applicable in the European Union. The consolidated financial statements and the management report on the Group were also given an unqualified audit opinion. The auditors also confirmed that the Executive Board has installed an appropriate reporting and monitoring system which is suitable in its design and handling to identify at an early stage developments which could place the continued existence of the Company at risk.

The Audit Committee and the auditors had selected the following focus theme for the reporting year: "Internal controls and process integration for selected processes". The financial statement documents and audit reports were discussed at length in the Audit Committee and Supervisory Board meetings on December

10, 2012. A key item of the report were impairment charges at the Steel Americas business area, whose causes and impact we dealt with at length. The auditors reported on the main results of their audit, addressing above all the impairment charges at the Steel Americas business area. They also outlined their findings on the internal control and risk management systems in relation to the accounting process and were available to answer questions and provide additional information. The Chairman of the Audit Committee reported in depth at the full Supervisory Board meeting on the Audit Committee's examination of the parent-company and consolidated financial statements. Following our own examination and discussion of the parent-company financial statements, the consolidated financial statements, the management report and the management report on the Group, in line with the recommendation by the Audit Committee we accepted the result of the audit and approved the parent-company and consolidated financial statements. As there is no distributable net income for the reporting year, the Executive Board did not submit a proposal to the Supervisory Board for the appropriation of net income.

Changes in the composition of Supervisory Board and Executive Board

Prof. Dr.-Ing. Schulz left the Supervisory Board at the close of December 31, 2011; he decided to resign his seat at this date on his own initiative. As his successor, Gräfin v. Schmettow was court-appointed to the Supervisory Board effective January 30, 2012. Mr. Schlenz resigned his seat on the Supervisory Board at the close of July 31, 2012 to assume new duties in the Group. Mr. Dreher was court-appointed as his successor. Mr. Steinbrück also resigned his seat on the Supervisory Board at the close of December 31, 2012. To replace him the Alfried Krupp von Bohlen und Halbach Foundation designated Dr. Ralf Nentwig, member of the Executive Committee of the Alfried Krupp von Bohlen und Halbach Foundation, to the Supervisory Board effective January 1, 2013. The Supervisory Board expressed its thanks to Prof. Dr.-Ing. Schulz, Mr. Schlenz and Mr. Steinbrück for their good cooperation.

As successor to Mr. Labonte, whose appointment running until September 30, 2013 was canceled prematurely at March 31, 2013 for health reasons, the Supervisory Board appointed Mr. Burkhard as member of the Executive Board from February 01, 2013 and as Labor Director from April 01, 2013.

At the close of December 31, 2012, Dr. Berlien, Dr. Claassen and Mr. Eichler will step down from the Executive Board. The Supervisory Board has thanked the departing Executive Board members for their many years of good cooperation.

On behalf of the entire Supervisory Board I thank the management, employees and employee representatives of all Group companies for their commitment and work in the past fiscal year.

The Supervisory Board

Gerhard Cromme

Dr. Gerhard Cromme
Chairman

Essen, December 10, 2012

Supervisory Board statement on the Steel Americas projects

The Supervisory Board of ThyssenKrupp AG issues the following statement in connection with the steel operations of the Steel Americas business area in Brazil and the USA:

The members of the Supervisory Board of ThyssenKrupp AG are extremely saddened by the negative developments in the Steel Americas projects. For this reason an extraordinary meeting was held on November 20, 2012 during which the Supervisory Board together with two external advisers, Prof. Axel von Werder from Technische Universität Berlin and Dr. Ralph Wollburg, a partner in the law firm Linklaters, once again dealt comprehensively with its treatment of the Steel Americas projects in the years 2005 to 2012. In particular, each individual member of the Supervisory Board as well as the Supervisory Board as a whole critically examined the question whether the Supervisory Board fulfilled its responsibility of oversight of the Executive Board.

When the Supervisory Board of ThyssenKrupp AG decided in November 2005 to approve the execution of the CSA (Companhia Siderúrgica do Atlântico) project in Brazil and when it approved the construction of the processing plant in Alabama in May 2007, the economic environment for the investments as well as the situation of ThyssenKrupp was very favorable:

– The initially approved investment budget of roughly €1.9 billion for ThyssenKrupp CSA in Brazil, which was increased to around €3.0 billion as a result of the decision to self-finance major works, was set against an EBITDA of the ThyssenKrupp Group of €3.8 billion (IFRS) in fiscal year 2004/2005 and of €4.7 billion in fiscal year 2005/2006.

– With proximity to the raw materials base and cheaper ore prices as well as low wage costs in Brazil, ThyssenKrupp aimed to achieve cost leadership for the manufacture of slabs.

– The entry into the US/NAFTA market with premium flat steel products was to take place in very attractive growth segments of those markets.

– This resulted in the strategic concept underlying the Steel Americas projects: quality, cost and margin leadership in a CSA/USA tandem.

Under these premises – and the way in which they were interpreted by the Executive Board and the advisers – the decision made at the time to realize the Steel Americas projects is comprehensible, also from today's perspective.

Overall, three main sets of problems materialized in the course of the projects: poor project management , the overly optimistic interpretation of the macroeconomic situation at the time and – ultimately decisively – the fundamental change in the macroeconomic situation.

The poor project management first became evident to the Supervisory Board in May 2008 when the Executive Board, to the Supervisory Board's complete surprise, reported major difficulties in the course of the project and investment budget overruns. Up until this time the Executive Board had reported progress as planned without significant problems – including during a project site visit by the Audit Committee in February 2008.

In response to the management mistakes that had become evident, the Supervisory Board of ThyssenKrupp AG made personnel adjustments that led to the departure of two responsible Executive Board members of ThyssenKrupp AG in spring 2009. Mainly as a result of the deficiencies in the initial project management, and despite immediate reinforcement of the project management with external experts, there occurred further considerable overruns on project and start-up costs in the Steel Americas projects up to the present day.

Ultimately it can be stated that in addition to the serious macroeconomic changes and failures in project management a number of the assumptions and figures used by the then Executive Board ultimately proved to be far too optimistic or in hindsight incorrect.

Both factors – the poor project management and the overly optimistic assessment of the initial parameters – led to a substantial deterioration of the Steel Americas projects. However the main reason for the decision to examine sale options were major changes in the macroeconomic environment, particularly also the continuing consequences of the financial and economic crises.

In 2011/2012 the newly composed Executive Board under the leadership of Dr. Hiesinger presented with great realism the now fundamentally changed conditions and economic assumptions for the projects. As a result it became clear that the original project goals of quality, cost and margin leadership cannot be achieved and consequently that the Steel Americas projects will not be profitable either in the short or medium term.

- Since the Supervisory Board decision to execute the projects, labor costs in Brazil have risen massively. In addition, the Brazilian real to US dollar exchange rate has changed significantly. As a result, the natural hedging (i.e. compensating for negative exchange rate effects from costs in Brazilian real through offsetting sales in Brazilian real) planned by the Executive Board to hedge currency risks was not realizable.

- Raw material prices increased sharply. Ore prices in particular almost tripled at their peak. In addition, the ore pricing model changed from a yearly to a quarterly basis.

- Overall, the cost advantages that were to be achieved by the production of slabs in Brazil versus production in Duisburg and were assumed at the time of the decision could not be realized.

- The sales market in the USA and the NAFTA zone performed much worse in terms of both quantities and achievable prices than was assumed.

After conducting its own detailed examination the Supervisory Board of ThyssenKrupp AG therefore in its meetings in May and September 2012 noted with approval the decisions of the Executive Board to examine strategic options in connection with the Steel Americas projects and conduct a bidding process for Steel Americas.

The main results of the aforementioned review by Prof. von Werder can be summarized as follows:

- In monitoring and advising the Executive Board, the Supervisory Board and its competent Committees met the standards of good corporate governance at a high level. The Supervisory Board was involved in the relevant business decisions in accordance with these standards and – supported by appropriate committees – closely monitored the implementation of these decisions.

- The Supervisory Board made active use of its (systemically limited) opportunities for securing sufficient information and commissioned for example a number of internal and external review reports. In addition, it discussed the projects with the Executive Board in a competent and engaged manner.

- Of particular note in this connection is that as early as in the decision-making phase the Supervisory Board raised numerous critical questions addressing the main points which later proved to be the causes of the problems.

The main results of the review by Dr. Wollburg can be summarized as follows:

- Overall it is found that – as presented and justified in detail – the Supervisory Board at all times met in full its obligations under stock corporation law to monitor the Executive Board in connection with the Steel Americas projects. The Supervisory Board made all its decisions relating to this matter based on the business judgment rule.

- Overall it is also found that the Supervisory Board raised all relevant questions on those issues which in hindsight proved to be the main problems of the Steel Americas projects, discussed these critically with the Executive Board, and challenged the basic premises applied by the Executive Board.

- Finally it is found that the Supervisory Board and the Supervisory Board Committees occupied themselves with the critical issues and difficulties in connection with the Steel Americas projects to an extent and intensity far beyond the normal level of involvement of a supervisory board and its committees.

The findings of the reviews by Prof. von Werder and Dr. Wollburg can be viewed on the ThyssenKrupp AG website.

Furthermore the Supervisory Board has requested the law firm HengelerMueller to update its expert report of last year examining the accountability of the Executive Board members of ThyssenKrupp AG in connection with the Steel Americas projects. The expert report by HengelerMueller is expected to be available for the Annual General Meeting of ThyssenKrupp AG on January 18, 2013. The Executive Board has informed us that possible liability-relevant breaches of duty by board members of ThyssenKrupp Steel Europe AG in connection with the Steel Americas projects are also being re-examined.

The Supervisory Board members are also personally saddened that despite all their efforts and fulfillment of their obligations they were unable to prevent the negative developments in the Steel Americas projects.

The Supervisory Board is convinced that the measures now initiated by the Executive Board will ultimately be successful and allow the Company to gain new strength.

The Supervisory Board

Corporate governance report

Good corporate governance promotes trust by investors, customers, employees and the public in ThyssenKrupp, and is a key foundation for sustainable business success. In this area the Executive Board and Supervisory Board are guided by the German Corporate Governance Code.

In this section and in the corporate governance declaration in accordance with § 289a German Commercial Code (HGB) the Executive Board – also on behalf of the Supervisory Board – reports on corporate governance at ThyssenKrupp in accordance with section 3.10 of the German Corporate Governance Code. This section also includes the compensation report.

Corporate governance overview

Implementation of the German Corporate Governance Code

In the reporting year the Executive Board and Supervisory Board of ThyssenKrupp AG dealt intensively with the requirements of the German Corporate Governance Code, and especially the amendments adopted by the Government Commission on May 15, 2012. At October 01, 2012, the two boards issued a Declaration of Conformity pursuant to § 161 subsection 1 AktG.

ThyssenKrupp meets the recommendations of the German Corporate Governance Code with one exception.

Since the last Declaration of Conformity was issued at October 01, 2011, ThyssenKrupp AG has complied with all recommendations of the Code as amended on May 26, 2010. It also complies with the recommendations of the Code as amended on May 15, 2012 with one exception: Under the amended recommendation in section 5.4.6 paragraph 2 sentence 2 of the Code, if supervisory board members are promised performance-related compensation it should be oriented toward sustainable growth of the enterprise. Under § 14 subsection 1 of the Articles of Association of ThyssenKrupp AG, the Supervisory Board members receive both fixed and performance-related compensation. The latter comprises compensation linked to the long-term success of the Company and a bonus based on the annual dividend. Depending on the decision by the Annual General Meeting on the disposition of unappropriated net income and the development of the various assessment bases for the variable compensation components, the short-term variable compensation may be higher than the long-term. This will then not comply with the recommendation in section 5.4.6 paragraph 2 sentence 2 of the Code as amended on May 15, 2012. The composition of the compensation for Supervisory Board members as set out in the Articles of Association was resolved by the Annual General Meeting on January 19, 2007 and complied with the German Corporate Governance Code until the amendments of May 15, 2012.

The Supervisory Board and Executive Board of ThyssenKrupp AG have decided not to propose a change to Supervisory Board compensation to the Annual General Meeting on January 18, 2013 as ThyssenKrupp is currently undergoing a considerable change process with the combination of the stainless steel business with Outokumpu and the planned disposal of the steel mills in Brazil and the USA. As a result, reliable figures are not currently available to allow an appropriate proposal for the adjustment of Supervisory Board compensation to be made to the Annual General Meeting. The Executive Board and Supervisory Board will next year reconsider whether a corresponding adjustment should be proposed to the 2014 Annual General Meeting. To this extent we believe that this is a well justified deviation from the recommendation of the Code as intended by the Government Commission and described in the Foreword to the Code and that this deviation is in the interest of good corporate governance.

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ThyssenKrupp AG continues to comply with all suggestions of the German Corporate Governance Code. All Declarations of Conformity issued to date are permanently available on our website.

The Code is also implemented at our listed subsidiary Eisen- und Hüttenwerke AG, taking into account the particularities of its membership of the Group. Individual deviations are presented and explained in the company's Declaration of Conformity of October 01, 2012.

Compliance: Inform, Identify, Report and Act

Compliance, in the sense of measures to ensure adherence to statutory requirements and internal company policies and observance of these measures by the Group companies, is a key management and oversight duty at ThyssenKrupp. A compliance program focusing on antitrust law and anti-corruption policies was introduced directly after the merger of predecessor companies Thyssen and Krupp in 1999. Ever since then it has been regularly updated internally and reviewed externally on the basis of the applicable legal requirements as well as by auditors. The appropriateness and effectiveness of the compliance system in the audit period was confirmed most recently in November 2011 by KPMG AG Wirtschaftsprüfungsgesellschaft in connection with certification to the new Auditing Standard 980 of the Institute of Public Auditors in Germany. The report by KPMG AG Wirtschaftsprüfungsgesellschaft is available for downloading on the ThyssenKrupp website.

The Executive Board states its stance in the ThyssenKrupp Compliance Commitment.

The Executive Board of ThyssenKrupp AG has unequivocally expressed its rejection of antitrust violations and corruption in the ThyssenKrupp Compliance Commitment. Antitrust violations and corruption are not tolerated in any way and result in sanctions against the employees concerned. To implement the Compliance Commitment a transparent management culture based on the new Group mission statement is subject to continuous improvement. Responsibility and personal integrity are the guiding principles and benchmarks of our actions for all our employees.

In view of the fact that ThyssenKrupp has been confronted with a number of corruption and cartel cases in recent times, the Supervisory Board in its meeting on November 21, 2012 again emphasized and made clear the corporate responsibility of the Executive Board with regard to compliance. The fundamental principle of compliance is that the management bears corporate responsibility for compliance, going beyond the individual obligations of an Executive Board member. The resolution clearly states that in the event of serious or repeated compliance violations in the area of responsibility of an Executive Board member, action can be taken involving the entire spectrum of personnel measures.

A global compliance organization is in place to develop, manage and implement the program. At the level of ThyssenKrupp AG the compliance unit was separated from the former Legal & Compliance area and made into an independent corporate center in June 2012. The full-time compliance officers are spread among the corporate headquarters and selected regions in which a regional compliance organization is currently being established under central management. In addition, compliance managers have been appointed in the operating Group companies who are responsible for the implementation of the program.

Compliance is developing dynamically at national and international level. The reason for focusing our compliance program on antitrust violations and corruption is that the potential damage, including loss of reputation, associated with these types of business crime is significantly higher than with other offenses. Developments in the so-called rail cartel show that focusing on these areas continues to be appropriate.

After the Federal Cartel Office and Bochum public prosecutor's office opened investigations into several companies in the rail sector, including ThyssenKrupp GfT Gleistechnik GmbH, in May 2011, the Federal Cartel Office concluded the part of the proceedings concerning rail deliveries to Deutsche Bahn by issuing a fine notice in July 2012. As a result ThyssenKrupp GfT Gleistechnik had to pay a fine of around €103 million. The fine was calculated taking into account among other things the sales volume and duration of the cartel and also the company's cooperation with the investigators. Ultimately the fine amount was significantly reduced as a result of the company's cooperation. The Federal Cartel Office and public prosecutor's office have continued their investigations into further aspects of the case and into the personal responsibility of individuals involved. It is not foreseeable when the investigations will be completed. In this connection ThyssenKrupp is pursuing claims for damages against the employees and managers involved and in some cases labor and civil law proceedings have already been instigated. Compensation is being discussed with individual customers, including Deutsche Bahn. More information on the rail cartel is provided in the Risk Report. In connection with the inquiry into the cartel, allegations were made against an Executive Board member accusing him of not adequately following up reports of cartel agreements at rail producer level given to him in 2006. The Supervisory Board Personnel Committee looked into these allegations immediately and commissioned external assessments by a renowned criminal lawyer and a recognized company law expert. Both experts come to the conclusion that there is no factual evidence of criminal conduct or breaches of duty by the Executive Board member in dealing with the reports of cartel agreements in the rail sector. In addition, in November 2012 the Audit Committee dealt with the accusations raised in media reports concerning press and other trips by Executive Board members. The accusations are being examined by the Compliance department with the support of external experts.

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Our strict Compliance Program works on the basis of three core elements – "inform", "identify", and "report and act" – to reduce the risk of antitrust violations and corruption. We "inform" through the Executive Board's Compliance Commitment and our Group policy statements and guidance notes. In addition, our employees are informed about compliance requirements, risks and possible sanctions in extensive training measures and an interactive e-learning program. In the reporting year more than 3,500 employees worldwide took part in face-to-face training on cartel law and corruption prevention. To supplement this, the third cycle of the e-learning program with courses on cartel law and corruption prevention was launched on August 17, 2012. As of November 30, 2012, 38,337 employees (anticorruption) and 32,318 employees (antitrust) had successfully completed the training courses. This means that the program has been completed by 99.1% of those registered at the launch. Our subsidiaries in the USA and Canada have their own programs. We provide compliance advice on critical business transactions, e.g. on the use of sales agents, and regularly review critical business operations on the basis of a risk-oriented, structured audit process. As an additional compliance element, ThyssenKrupp has introduced a whistleblower hotline. Alongside the options of directly contacting a supervisor or the compliance department, the whistleblower hotline is a further channel available to employees of the Group to report possible infringements of laws or policies without revealing their identity. Here too the focus is on antitrust and anti-corruption compliance. Information submitted by e-mail or the hotline – which can be contacted from anywhere in the world and is toll-free – is received by an international law firm from where it is forwarded for further internal review. It is ensured that no employee suffers disadvantages as a result of reporting information in good faith to the hotline. Third parties (customers, suppliers, etc.) can also contact the hotline. We "report and act" through extensive communications and – in the event of cartel law infringements or corruption – with sanctions against the employees concerned.

The ThyssenKrupp whistleblower hotline is available to employees and third parties.

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Supervisory Board targets for the composition of corporate bodies

In their meetings on September 07, 2012, the Executive Committee, Nomination Committee and Supervisory Board of ThyssenKrupp AG addressed the concrete targets defined back in September 2010 for the future composition of the Supervisory Board against the background of the amendments to the German Corporate Governance Code adopted in May 2012. These targets were explained in the corporate governance report in the 2009/2010 Annual Report, which is still accessible on the internet at www.thyssenkrupp.com/financial-reports/09_10/en/governance.html.

After discussion by the Executive Committee and Nomination Committee, the Supervisory Board confirmed in general the targets for its composition established in 2010 and adopted the following main amendments. With the target of a female proportion of 20% on the Supervisory Board established in the meeting on September 03, 2010 having already been achieved, this 20% female proportion is to be maintained during the current term of office until the next regular election of shareholder and employee representatives. In addition, the Supervisory Board established the target for the number of independent Supervisory Board members recommended in the Code as amended on May 15, 2012. Based on the assumption that the employee representatives also generally fulfill the independence criteria in the meaning of section 5.4.2 of the Code, a concrete target of at least 15 independent Supervisory Board members was established for the composition of the Supervisory Board as a whole. Otherwise the Supervisory Board set a concrete target of at least five independent Supervisory Board members for the composition of the shareholder side. The Supervisory Board's proposals for the election of Supervisory Board members will continue to be based on the interests of the Company taking these targets into account.

The established targets were also taken into account in the proposal to the Annual General Meeting on January 18, 2013 to elect Countess (Gräfin) v. Schmettow as shareholder representative on the Supervisory Board, and with the earlier proposal for the court appointment of Gräfin v. Schmettow as member of the Supervisory Board in January 2012. With her appointment the Supervisory Board has gained increased financial expertise and diversity. Should Gräfin v. Schmettow be elected to the Supervisory Board in the next Annual General Meeting, the target of maintaining a female proportion of at least 20% will again be secured. Overall the targets established by the Supervisory Board – including specialist knowledge, knowledge of the Company, independence, and international background – are increasingly reflected in the board's actual composition.

Avoiding conflicts of interest

The only case of a consulting or other service agreement between Supervisory Board members and the Company in the reporting year related to Dr. v. Schenck; until July 01, 2012 he was an of counsel of the law firm Clifford Chance. To the extent that Clifford Chance provided legal advice to the Company in the reporting year, this was approved by the Personnel Committee of the Supervisory Board. Conflicts of interest of Executive or Supervisory Board members, which must be disclosed immediately to the Supervisory Board, did not occur.

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Details of the other directorships held by Executive Board and Supervisory Board members on statutory supervisory boards or comparable German and non-German control bodies of business enterprises are provided in the section "Additional information". Details of related party transactions are given in Note 23 to the Consolidated Financial Statements.

Directors' dealings

According to § 15a Securities Trading Act (WpHG) the members of the Executive Board and Supervisory Board and persons close to them are required by law to disclose the purchase and sale of ThyssenKrupp AG shares or related financial instruments whenever the value of the transactions amounts to €5,000 or more within a calendar year. One transaction was reported to us for the 2011/2012 fiscal year; it is published on our website.

At September 30, 2012 the total volume of ThyssenKrupp AG shares held by all Executive Board and Supervisory Board members amounted to less than 1% of the shares issued by the Company.

Appropriate control and risk management system

Corporate governance also involves dealing responsibly with risks. The continuous and systematic management of business opportunities and risks is fundamental to professional governance. It helps ensure that risks are identified, evaluated and managed at an early stage. The Executive Board reports regularly to the Supervisory Board about the status of material risks in the Group. The Audit Committee regularly concerns itself with monitoring of the effectiveness of the accounting process, the effectiveness of the internal control, risk management and internal auditing systems as well as monitoring of the financial statement audit. The individual systems are continuously enhanced and adapted to changing conditions in the Group. Key features of our control and risk management systems can be found in the section "Expected developments and associated opportunities and risks".

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Shareholders and Annual General Meeting

The shareholders of ThyssenKrupp AG exercise their rights at the Company's Annual General Meeting, which is chaired by the chairman of the Supervisory Board. The Annual General Meeting takes place once a year. Each share confers one vote.

Shareholders can exercise their voting rights at the Annual General Meeting in person or by proxy, for which they can authorize a person of their choice or a Company-nominated proxy acting on their instructions. Proxy voting instructions to Company-nominated proxies can be issued via the internet before and during the Annual General Meeting up to the end of the general debate. Shareholders can also cast their votes in writing by postal vote - without authorizing a proxy. The Annual General Meeting can be viewed live and in full on the internet. Also on our website we make available to shareholders in good time all documents and information on the Annual General Meeting. In addition, questions can be addressed to members of our investor relations department via an infoline or e-mail.

The Annual General Meeting is broadcast live on the internet.

Transparency through extensive information

Our dialogue with the capital market is aimed at informing all target groups fully, equally and quickly. For example as part of our investor relations work we regularly meet up with analysts and institutional investors. The venues and dates of roadshows and investors' conferences are posted on our website. An intensive dialogue also takes place at analysts' and investors' conferences and in regular and ad hoc conference calls. The presentations for these events are freely accessible on the website, which also offers video or audio recordings of the main events. We provide information on recurring dates, such as the date of the Annual General Meeting or the publication dates of interim reports, in a financial calendar published in the annual report, the interim reports and on the Company's website.

Information about the latest developments in the Group is available to everybody at all times on our website, where all press releases and stock exchange (ad hoc) announcements of ThyssenKrupp AG are published in German and English. The Company's Articles of Association and the rules of procedure for the Executive Board, Supervisory Board and Audit Committee can also be viewed on the website, as can the consolidated financial statements, interim reports and information on implementation of the recommendations and suggestions of the German Corporate Governance Code. All interested parties can subscribe to an electronic newsletter on the website which reports news from the Group.

Deductible in D&O insurance

The Company has taken out directors and officers (D&O) liability insurance for the members of the Executive Board with an appropriate deductible pursuant to § 93 subs. 2, sentence 3 Stock Corporation Act (AktG). D&O insurance with an appropriate deductible has also been agreed for the members of the Supervisory Board in accordance with the German Corporate Governance Code.

Accounting at ThyssenKrupp is based on the International Financial Reporting Standards (IFRS).

Accounting and financial statement auditing by KPMG

In line with European Union requirements, the consolidated financial statements and interim reports of ThyssenKrupp are prepared in accordance with the International Financial Reporting Standards (IFRS). The statutory parent-company financial statements of ThyssenKrupp AG, on which the dividend payment is based, are drawn up in accordance with German GAAP (HGB). For the reporting period we again agreed with the financial-statement auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, that the chairman of the Audit Committee would be informed immediately of any possible grounds for exclusion or bias arising during the audit insofar as they are not immediately eliminated, and that the auditors would report immediately on any findings or occurrences during the audit which have a significant bearing on the duties of the Supervisory Board. It was also agreed that the auditors would inform the Supervisory Board or make a note in the audit report of any facts ascertained during their examination that conflict with the Declaration of Conformity issued.

Corporate governance declaration

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The corporate governance declaration in accordance with § 289a German GAAP (HGB) is presented on our website at www.thyssenkrupp.com/en/investor/unternehmensfuehrung_2011_2012.html. It contains a description of how the Executive Board and Supervisory Board operate, the composition and method of operation of the Committees, the declaration of conformity in accordance with § 161 Stock Corporation Act (AktG), and details of key governance practices.

Compensation report

The following compensation report forms part of the management report.

Performance-based compensation for the Executive Board

The Supervisory Board is responsible for determining individual Executive Board compensation following preparation by the Personnel Committee. The compensation system was approved by the Annual General Meeting on January 21, 2011 with a majority of 94.91% of the capital represented.

The compensation for the Executive Board members comprises non-performance-related and performance-related components. The non-performance-related components are the fixed compensation, additional benefits and pension plans, while the performance-related components are the performance bonus and the Long Term Incentive plan (LTI) as a component with a long-term incentive effect. On top of this there is if applicable an additional bonus representing a cash flow-based management incentive, on the award of which the Supervisory Board makes a new decision each year. The total compensation paid to an Executive Board member is limited to six times his/her fixed compensation.

Criteria for the appropriateness of Executive Board compensation include the duties of the individual Executive Board members, their personal performance, the business situation, the success and prospects of the Company and also the prevailing level of compensation at peer companies and the compensation structure applying in the Company. The performance-related components contain elements that are measured over several years. They therefore set long-term incentives and focus the compensation structure on the sustainable development of the Company.

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Executive Board member contracts at ThyssenKrupp do not contain a change-of-control clause.

All Executive Board member contracts provide for a severance payment in the event of early termination without cause. The severance payment is limited to a maximum of two years' compensation including benefits (severance payment cap) and compensates no more than the remaining term of the employment agreement. A promise of payments in the event of early termination due to a change of control does not exist.

Fixed compensation and fringe benefits

Since the last review at October 01, 2010, the fixed compensation for an ordinary Executive Board member has been €670,000 per year, paid out as non-performance-related basic compensation in monthly installments as a salary. In view of the Group's business situation, the regular biennial review planned for October 01, 2012 was postponed for one year. The Executive Board members also receive fringe benefits, mainly comprising the use of a company car, telephone as well as insurance premiums. Individual Executive Board members have to pay tax on these fringe benefits as compensation components. The benefits apply in principle to all Executive Board members; the amount varies according to personal situation.

EBIT and ROCE determine the Executive Board's performance bonus.

Performance bonus

The first element of the performance-related compensation is the performance bonus. In accordance with the performance bonus rules resolved by the Supervisory Board, the amount of the performance bonus is dependent on the Group's EBIT (earnings before interest and taxes) and ROCE (return on capital employed), each of which is considered equally as a criterion. The performance bonus is therefore aligned with the performance indicators used in the Group. For example, if EBIT is €1.2 billion and ROCE is 6%, the performance bonus is €1 million. If EBIT is €900 million and ROCE is 4.5%, it is €750,000, if EBIT is €1.8 billion and ROCE is 9%, it is €1.5 million. Individual performance can be recognized up to 20%. Extraordinary events are ignored in determining the performance bonus. The performance bonus is paid out to the individual Executive Board members two weeks after its establishment by the Supervisory Board. With a view to the Act on the Appropriateness of Management Board Compensation (VorstAG) the Supervisory Board determined that from fiscal year 2009/2010 a quarter of the performance bonus must be converted into ThyssenKrupp stock rights to be paid out after a three-year lock-up period.

Long Term Incentive plan

A further compensation component is the LTI, a variable compensation component with a long-term incentive effect which has been granted since fiscal year 2010/2011 and replaces the former Mid Term Incentive plan (MTI). The LTI system is as follows:

Decisive factors for the development of the LTI are the value generated by ThyssenKrupp, measured on the basis of ThyssenKrupp Value Added (TKVA), and the share price development. For a specified initial value, which for an ordinary Executive Board member amounts to €500,000, notional shares are granted. These so-called stock rights are not stock options. The number of stock rights issued to an Executive Board member is determined by the average stock price in the 1st quarter of the performance period. These stock rights are recognized as part of compensation at their value at grant date, calculated in accordance with international accounting standards. The number of stock rights issued under the LTI plan is adjusted at the end of the respective three-year performance period. The basis for this is a comparison of average TKVA in the three-year performance period – beginning October 01 of the fiscal year in which the stock rights were granted – with the average TKVA of the previous three fiscal years. This compensation component therefore covers in total a period of six years. An increase in TKVA by €200 million results in a 5% increase in stock rights; if average TKVA decreases by €200 million, the number of stock rights decreases by 10%. More information on TKVA is provided in the section “Value-based management”. At the end of the performance period the granted stock rights are paid out on the basis of ThyssenKrupp's average share price in the first three months after the end of the performance period. Payments under the LTI plan are limited to €1.5 million for an ordinary Executive Board member.

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Additional bonus

This system of performance bonus and LTI is appropriate but requires supplementation under certain constellations. For example, due to the negative TKVA in fiscal years 2008/2009 and 2010/2011 there will be no payments under the MTI plan for the reporting period – just as there were none for the last three fiscal years – owing to the plan's long-term focus. In difficult economic years, which demand particular efforts of the Executive Board, the work of the Executive Board should not be rewarded only with the fixed compensation, as was the case in 2008/2009. In view of the tasks facing the Executive Board and its particular responsibility this would impair the competitiveness of our executive remuneration. It must also be considered that high financial discipline is essential in critical times. For this reason a performance-based compensation element based on a cash flow-related indicator has been established. This indicator is the ratio of funds from operations to total debt (FFO/TD), which makes it possible to balance out fluctuations in EBIT, net working capital and capital expenditures. The achievement of set targets by the Executive Board is to be rewarded with an additional bonus. The additional bonus is based 50% on the year-end values and 50% on the annual average values of FFO/TD; with a year-end value of 13.2% and an annual average value of 12.0% the additional bonus amounts to €350,000; it changes by €50,000 for each 2.1 percentage point change in the year-end value and 1.9 percentage point change in the annual average value. To ensure the sustainability and multi-year assessment basis required by the VorstAG particularly in the ratio between short-term and long-term compensation, 55% of the additional bonus is converted into ThyssenKrupp stock rights and paid out after a three-year lock-up period (as with the performance bonus). Whether this additional bonus is granted again, and if so at what level, is decided each year. The amount of the additional bonus is limited to €0.7 million for an ordinary Executive Board member.

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The additional bonus is determined on the basis of a cash flow-oriented indicator.

Pensions

Pensions are paid to former Executive Board members who have either reached pension age or become permanently incapacitated for work. Pensions ("transitional allowances") are no longer paid upon premature termination or non-renewal of employment contracts.

The pension of an Executive Board member already in office is a percentage of the final fixed salary they received before their employment contract ended. This percentage increases with the duration of the Executive Board member's appointment. In general it is 30% at the start of the first five-year period of appointment, 50% at the start of the second and 60% at the start of the third. Dr. Heinrich Hiesinger's pension is 50%. Current pensions are adjusted annually in line with the consumer price index. For new Executive Board members to be appointed in the future, this final-salary pension plan has been switched to a defined-contribution pension plan, with the annual pension contribution ("module") amounting to 40% of the annual fixed salary.

Under the surviving dependants' benefits plan, a surviving partner receives 60% of the pension and each dependant child (generally up to the age of 18, maximum age 25 years, in justified exceptional cases up to the age of 27) 20%, up to a maximum of 100% of the pension amount.

Total Executive Board compensation in 2011/2012

The following table shows details of compensation and pensions for individual Executive Board members in fiscal year 2011/2012. The prior-year figures are shown in square brackets:

EXECUTIVE BOARD COMPENSATION 2011/2012 IN €'000s

	Annual income				Stock rights granted in fiscal year from 25% of performance bonus		Stock rights granted in fiscal year from 55% of additional bonus		LTI rights granted in fiscal year				Pensions		
	Fixed salary	Fringe benefits	Performance bonus (75%)	Additional bonus (45%)	Number	Value 1)	Number	Value 1)	Number	Value 1)	Total	Expense from share-based compensation in the fiscal year	Annual pension when payable	Service costs recorded in the fiscal year 2)	Present value of the obligation
Dr.-Ing. Heinrich Hiesinger	1,340	28	610	244	13,010	215	19,088	316	52,688	1,094	3,847	437	670	1,148	2,830
	[1,207]	[26]	[779]	[219]	[10,262]	[190]	[10,557]	[196]	[31,722]	[903]	[3,520]	[661]	[670]	[1,183]	[1,191]
Dr. Olaf Berlien	670	40	244	98	5,204	86	7,635	126	26,344	547	1,811	524	402	305	6,214
	[670]	[41]	[433]	[121]	[5,697]	[106]	[5,861]	[109]	[17,612]	[502]	[1,982]	[347]	[335]	[379]	[4,220]
Dr. Jürgen Claassen	670	28	305	122	6,505	108	9,544	158	26,344	547	1,938	201	201	546	2,534
	[465]	[16]	[300]	[84]	[3,956]	[73]	[4,078]	[76]	[12,230]	[348]	[1,362]	[323]	[201]	[422]	[1,423]
Edwin Eichler	670	45	244	98	5,204	86	7,635	126	26,344	547	1,816	524	335 3)	441	7,808
	[670]	[43]	[433]	[121]	[5,697]	[106]	[5,861]	[109]	[17,612]	[502]	[1,984]	[347]	[335]	[509]	[5,487]
Guido Kerkhoff	670	26	305	122	6,505	108	9,544	158	26,344	547	1,936	314	201	417	888
	[335]	[11]	[216]	[61]	[2,848]	[53]	[2,930]	[54]	[8,806]	[251]	[981]	[183]	[201]	[232]	[233]
Ralph Labonte	670	32	244	98	5,204	86	7,635	126	26,344	547	1,803	524	335 4)	414	12,016
	[670]	[32]	[433]	[121]	[5,697]	[106]	[5,861]	[109]	[17,612]	[502]	[1,973]	[347]	[335]	[424]	[8,967]
Total	4,690	199	1,952	782	41,632	689	61,081	1,010	184,408	3,829	13,151 5)	2,524	2,144	3,271	32,290
	[4,017]	[169]	[2,594]	[727]	[34,157]	[634]	[35,148]	[653]	[105,594]	[3,008]	[11,802]	[2,208]	[2,077]	[3,149]	[21,521]

1) at grant date
2) Past service cost was not incurred in the 2011/2012 fiscal year.
3) from October 01, 2012: 402
4) from January 01, 2013: 345
5) The total compensation is increased by security measures including taxes borne by the Company for the residential properties of Dr.-Ing. Hiesinger (€587,000) and Dr. Berlien (€224,000).

The – lower – prior-year figures for Dr.-Ing. Hiesinger, Dr. Claassen and Mr. Kerkhoff reflect the fact that as Vice Chairman of the Executive Board Dr. Hiesinger received a supplement of only 35% for the period October 01, 2010 to January 21, 2011, and Dr. Claassen (from January 21, 2011) and Mr. Kerkhoff (from April 1, 2011) were only appointed members of the Executive Board during the course of fiscal year 2010/2011.

The corresponding prior-year figures (in €'000s) for the Executive Board members who stepped down in the 2010/2011 fiscal year, Prof. Dr.-Ing. Ekkehard D. Schulz (date of departure: January 20, 2011) and Dr. Alan Hippe (date of departure: March 31, 2011) are:
Schulz: Fixed salary: 342; fringe benefits: 79; performance bonus: 218; additional bonus: 61; stock rights from performance bonus: 53; stock rights from additional bonus: 55; LTI stock rights: 254; total: 1,062; expense from share-based compensation: 152; service cost in fiscal year: 0; present value: 11,447.
Hippe: Fixed salary: 335; fringe benefits: 14; performance bonus: 216; additional bonus: 61; stock rights from performance bonus: 53; stock rights from additional bonus: 54; LTI stock rights: 251; total: 984; expense from share-based compensation: 164; service cost in fiscal year: 0; present value: 0.

Total compensation paid to active members of the Executive Board for their work in fiscal year 2011/2012 amounted to €14.0 million (prior year: €11.8 million). The individual variable compensation was determined taking into account the requirement for appropriateness.

No further benefits have been promised to any Executive Board members in the event that they leave their post. ThyssenKrupp has no knowledge of benefits or corresponding promises given to members of the Executive Board by third parties in connection with their Executive Board positions. As in previous years, no loans or advance payments were granted to members of the Executive Board, nor were any guarantees or other commitments entered into in their favor.

The 7th installment of the former MTI, which became due in the past fiscal year, resulted in no payment due to the sharp drop in average TKVA. In January 2012 the Executive Board members were granted new stock rights under the 2nd installment of the LTI. Under the 8th installment of the MIT and the 1st and 2nd installments of the LTI the Executive Board members have a total of 348,038 stock rights which have been awarded but are not yet payable.

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €15.0 million (prior year: €14.6 million). In accordance with IFRS an amount of €214.4 million (prior year: €192.7 million) was accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

Share-based compensation for further executives

Alongside the Executive Board, further selected executives of the Group receive part of their remuneration in the form of share-based compensation, the LTI, the successor to the MTI. In terms of structure and the way it functions, this is comparable with the LTI for the Executive Board, but the initial values and the increase in stock rights are measured differently. In detail:

For a certain initial value, notional shares are granted. These so-called stock rights are not stock options. The number of stock rights is determined by the average stock price in the 1st quarter of the three-year performance period. The number of stock rights issued under the LTI is then adjusted at the end of the respective three-year performance period. The basis for this is a comparison of average TKVA in the three-year performance period with the average TKVA of the previous three years. An increase in TKVA by €200 million results in a 10% increase in stock rights; if average TKVA decreases by €200 million, the number of stock rights decreases by 10%. At the end of the performance period the granted stock rights are paid out on the basis of ThyssenKrupp's average share price in the first three months after the end of the performance period. Payments under the LTI are limited to three times the respective initial value.

The LTI is linked to stock performance and TKVA.

The LTI is therefore a Groupwide, global compensation instrument related to long-term performance. The aim of the LTI is to strengthen executives' identification with ThyssenKrupp and loyalty to the Group. Linked not only to the share price but also to TKVA, the LTI provides an additional incentive to create value through value-based management geared to achieving the Group's goals.

In the past fiscal year the MTI/LTI program resulted in income of €1.7 million (prior year: expense of €9 million).

In addition, selected executives receive a variable compensation component in such a way that 20% of the bonus awarded for each fiscal year is converted into ThyssenKrupp AG stock rights tied to the ThyssenKrupp share price and is only paid out in cash after the expiration of three fiscal years on the basis of the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year.

Appropriate Supervisory Board compensation

The compensation of the Supervisory Board is based on the duties and responsibility of the Supervisory Board members and on the business situation and performance of the Group. In addition to reimbursement of their expenses and a meeting attendance fee of €500, Supervisory Board members receive fixed compensation of €50,000 plus performance-related compensation. The performance-related compensation consists of a bonus based on the annual dividend and a component related to the long-term performance of the Company. Supervisory Board members receive a performance bonus of €300 for each €0.01 by which the dividend paid out to shareholders for the past fiscal year exceeds €0.10 per share. The compensation related to the long-term performance of the Company is an annual compensation of €2,000 for each €100 million by which average consolidated earnings before taxes (EBT) in the last three fiscal years exceed €1 billion.

Chairmanship and membership of Supervisory Board committees are compensated separately.

The Chairman receives three times the above fixed compensation, performance bonus and long-term performance-based component, and the Vice Chairman double these amounts. In accordance with the German Corporate Governance Code, chairmanship and membership of the Supervisory Board committees are compensated separately. Supervisory Board members who only serve on the Supervisory Board for part of the fiscal year receive a proportionally reduced compensation amount. If a Supervisory Board member does not attend a meeting of the full Supervisory Board or a committee meeting, his/her compensation is reduced proportionally.

Members of the Supervisory Board will receive total compensation, including meeting attendance fees, for the reporting year of €1.5 million (prior year: €1.8 million). As the average consolidated EBT of the last three fiscal years is below the threshold of €1 billion – as in previous years – no payment will be made from the long-term compensation component for fiscal year 2011/2012. The individual members will receive the amounts listed in the following table:

SUPERVISORY BOARD COMPENSATION IN €

	2010/2011				2011/2012			
	Fixed compensation	Bonus	Long-term component	Total compensation [2]	Fixed compensation	Bonus	Long-term component	Total compensation [2]
Dr. Gerhard Cromme, Chairman [1]	200,000	42,000	—	251,500	200,000	—	—	210,500
Bertin Eichler, Vice Chairman [1]	150,000	31,500	—	191,000	150,000	—	—	159,500
Martin Dreher (since August 10, 2012)	—	—	—	—	7,104	—	—	7,604
Markus Grolms [1]	62,500	13,125	—	79,125	57,083	—	—	59,583
Susanne Herberger [1]	59,167	12,425	—	74,592	63,320	—	—	66,820
Bernd Kalwa [1]	62,500	13,125	—	79,125	62,500	—	—	66,000
Prof. Dr. Hans-Peter Keitel [1]	46,667	9,800	—	58,467	58,709	—	—	61,709
Ernst-August Kiel	50,000	10,500	—	63,000	50,000	—	—	52,500
Prof. Dr. Ulrich Lehner [1]	62,500	13,125	—	80,125	62,500	—	—	67,500
Sabine Maaßen (since January 22, 2011)	34,521	7,249	—	43,270	50,000	—	—	52,500
Prof. Dr. Bernhard Pellens [1]	75,000	15,750	—	95,750	75,000	—	—	81,000
Peter Remmler	50,000	10,500	—	63,000	50,000	—	—	52,500
Dr. Kersten v. Schenck [1]	59,167	12,425	—	74,592	62,500	—	—	66,000
Peter Scherrer (until January 21, 2011)	15,479	3,251	—	19,730	—	—	—	—
Thomas Schlenz (until July 31, 2012) [1]	87,500	18,375	—	114,375	72,917	—	—	79,917
Carola Gräfin v. Schmettow (since January 30, 2012)	—	—	—	—	33,470	—	—	34,970
Dr. Henning Schulte-Noelle (until January 21, 2011) [1]	17,876	3,754	—	24,130	—	—	—	—
Prof. Dr.-Ing. Ekkehard D. Schulz (January 21, 2011 until December 31, 2011) [1]	38,353	8,054	—	47,907	15,710	—	—	16,710
Wilhelm Segerath [1]	62,500	13,125	—	80,125	64,139	—	—	69,139
Peer Steinbrück [1]	53,750	11,288	—	67,038	53,750	—	—	55,750
Christian Streiff	50,000	10,500	—	63,000	50,000	—	—	52,500
Jürgen R. Thumann [1]	71,164	14,945	—	92,109	70,278	—	—	76,278
Prof. Dr. Beatrice Weder di Mauro	50,000	10,500	—	63,000	50,000	—	—	53,500
Klaus Wiercimok	50,000	10,500	—	63,000	50,000	—	—	52,500
Total	1,408,644	295,816	—	1,787,960	1,408,980	—	—	1,494,980

[1] Dr. Gerhard Cromme as Chairman of the Supervisory Board and the Executive Committee, the Personnel Committee and the Strategy, Finance and Investment Committee and as member of the Audit Committee, Bertin Eichler as Vice Chairman of the Supervisory Board and member of the Executive Committee, the Personnel Committee, and the Strategy, Finance and Investment Committee, Prof. Dr. Bernhard Pellens as Chairman of the Audit Committee, Thomas Schlenz as member of the Executive Committee, the Personnel Committee and the Audit Committee (pro rata), Jürgen R. Thumann as member of the Executive Committee and the Personnel Committee, Prof. Dr. Ulrich Lehner as member of the Audit Committee, Willhelm Segerath as member of the Executive Committee and the Personnel Committee (pro rata) and the Audit Committee, Susanne Herberger as member of the Audit Committee (pro rata) and the Strategy, Finance and Investment Committee, and Prof. Dr.-Ing. Ekkehard D. Schulz (pro rata), Markus Grolms, Bernd Kalwa, Prof. Dr. Hans-Peter Keitel (pro rata), Dr. Kersten v. Schenck and Peer Steinbrück each as members of the Strategy, Finance and Investment Committee receive higher compensation.

[2] Total compensation also includes the meeting attendance fees paid to the members of the Supervisory Board. The members of the Supervisory Board received an attendance fee for each meeting of the Supervisory Board and its committees they attended in the amount of €500. Dr. Gerhard Cromme received attendance fees of €10,500 (prior year: €9,500), Bertin Eichler €9,500 (prior year: €9,500), Martin Dreher €500 (prior year: €0), Markus Grolms €2,500 (prior year: €3,500), Susanne Herberger €3,500 (prior year: €3,000), Bernd Kalwa €3,500 (prior year: €3,500), Prof. Dr. Hans-Peter Keitel €3,000 (prior year: €2,000), Ernst-August Kiel €2,500 (prior year: €2,500), Prof. Dr. Ulrich Lehner €5,000 (prior year: €4,500), Sabine Maaßen €2,500 (prior year: €1,500), Prof. Dr. Bernhard Pellens €6,000 (prior year: €5,000), Peter Remmler €2,500 (prior year: €2,500), Dr. Kersten v. Schenck €3,500 (prior year: €3,000), Carola Gräfin v. Schmettow €1,500 (prior year: €0), Thomas Schlenz €7,000 (prior year: €8,500), Prof. Dr.-Ing. Ekkehard D. Schulz €1,000 (prior year: €1,500), Wilhelm Segerath €5,000 (prior year: €4,500), Peer Steinbrück €2,000 (prior year: €2,000), Christian Streiff €2,500 (prior year: €2,500), Jürgen R. Thumann €6,000 (prior year:€6,000), Prof. Dr. Beatrice Weder di Mauro €3,500 (prior year: €2,500) and Klaus Wiercimok €2,500 (prior year: €2,500). In addition in the prior year Peter Scherrer received attendance fees of €1,000 and Dr. Henning Schulte-Noelle €2,500. Total attendance fees were paid in the amount of €86,000 (prior year: €83,500).

The employee representatives who belong to trade unions have stated that they will transfer their compensation to the Hans-Böckler Foundation in accordance with the policies of the German Federation of Trade Unions.

Members of the Supervisory Board will additionally receive compensation of €81,952 (prior year: €89,750) for supervisory board directorships at Group companies in fiscal year 2011/2012. The individual members of the Supervisory Board will receive the amounts shown in the following table:

COMPENSATION FROM SUPERVISORY BOARD DIRECTORSHIPS WITHIN THE GROUP IN €

	2010/2011	2011/2012
Martin Dreher (since August 10, 2012)	—	1,066
Susanne Herberger	16,250	17,000
Bernd Kalwa	16,250	15,750
Ernst-August Kiel	19,600	19,350
Peter Remmler	—	8,820
Thomas Schlenz (until July 31, 2012)	21,150	9,950
Wilhelm Segerath	16,500	10,016
Total	89,750	81,952

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No loans or advance payments were granted to members of the Supervisory Board in the reporting year.

Supervisory Board members received no further compensation or benefits for personal services rendered, in particular advisory and mediatory services, with one exception. The law firm Clifford Chance, for which Supervisory Board member Dr. v. Schenck worked as an of counsel until July 01, 2012, received a total of €483,146 (prior year: €82,364) from ThyssenKrupp companies for its consulting services in the reporting year. As in previous years, no loans or advance payments were granted to members of the Supervisory Board, nor were any guarantees or other commitments entered into in their favor.

Related to the reporting year, former Supervisory Board members who left the Supervisory Board before October 01, 2011 will not receive any compensation from the long-term compensation component for the time they served on the Supervisory Board because – as in the prior years – average EBT in the last three fiscal years is below the threshold of €1 billion.

ThyssenKrupp stock

The debt crisis in Europe and the macroeconomic climate were key factors influencing the performance of ThyssenKrupp's stock in the fiscal year; they largely overshadowed the positive aspects resulting from implementation of the strategic development program. On September 30, 2012 the stock price stood at €16.54, down year-on-year almost 11%.

KEY DATA OF THYSSENKRUPP STOCK

		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Capital stock	million €	1,317	1,317	1,317	1,317	1,317
Number of shares (total)	million shares	514.5	514.5	514.5	514.5	514.5
Stock exchange value end September	million €	10,819	12,106	12,306	9,543	8,510
Closing price end September	€	21.03	23.53	23.92	18.55	16.54
High	€	46.63	25.05	28.07	35.84	22.86
Low	€	20.78	12.11	19.82	18.55	11.58
Dividend	€	1.30	0.30	0.45	0.45	–
Dividend total	million €	603	139	209	232	–
Dividend yield	%	6.2	1.3	1.9	2.4	–
Earnings per share	€	4.59	(4.01)	1.77	(2.71)	(3.04)
Number of shares (outstanding [1])	million shares	477.8	463.5	464.0	476.2	514.5
Trading volume (daily average)	million shares	4.3	4.8	3.4	3.2	4.1

[1] weighted average

Stock performance: Macroeconomic factors overshadow strategic value potential

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In the past fiscal year ThyssenKrupp continued to stringently execute its strategic development program; it consists of portfolio optimization, change management, and performance enhancement, with the aim of generating growth and improving the financial situation. For example, the portfolio optimization program announced in May 2011 was executed in full.

In terms of stock performance, however, the positive response to this by the capital market was overshadowed by risk issues due to the macroeconomic situation: In the 1st quarter 2011/2012 the stock was still able to profit from signs of a resolution of the debt crisis and associated hopes of an economic recovery, but its performance in the 2nd and 3rd quarters was marked by the increasing deterioration of the macroeconomic climate, even though the signing of the sale of Inoxum to Outokumpu in January 2012 was received very positively by analysts and investors.

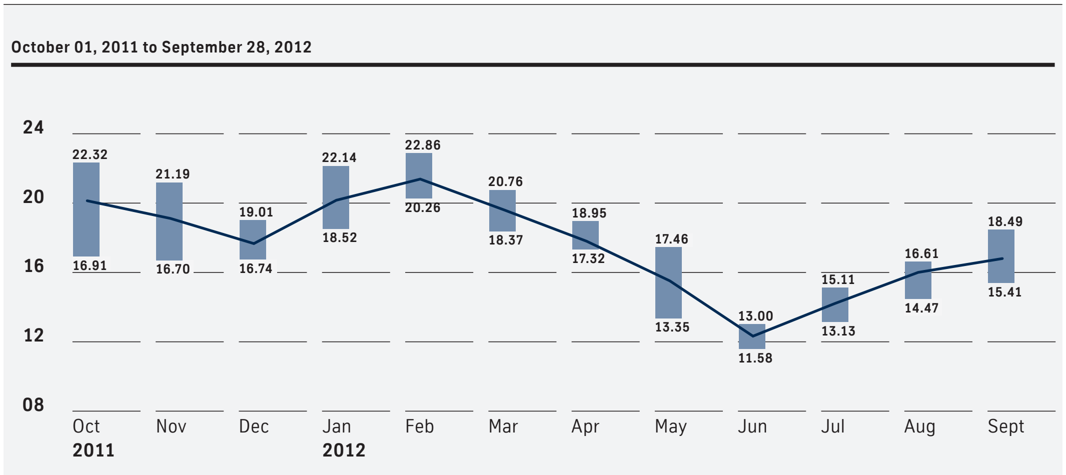
PERFORMANCE OF THYSSENKRUPP STOCK RELATIVE TO DAX AND DJ STOXX, INDEXED

ThyssenKrupp stock DAX DJ STOXX

In addition, the stock's performance was weighed down by the fact that earnings at Steel Americas failed to improve as expected. Against this background the announcement in May 2012 that ThyssenKrupp was examining strategic options for Steel Americas led to positive reactions on the capital market and to a reversal in the stock's performance. In particular in the 4th quarter 2011/2012 the price of ThyssenKrupp's stock improved significantly. The announcement and implementation of additional portfolio measures with the sale of Berco and the construction elements group had a supporting effect. The capital market expects that the portfolio measures as a whole will considerably improve ThyssenKrupp's earnings and cash flow profile.

On September 28, 2012 the stock price stood at €16.54, down approximately 11% from a year earlier. In the same period the DAX and DJ STOXX indices gained 31% and 22% respectively.

HIGHS AND LOWS OF THYSSENKRUPP STOCK IN €



Monthly average High/low (closing prices)

Dividend continuity remains the aim

The dividend policy of ThyssenKrupp AG is geared to continuity. Generally the aim is to distribute an appropriate dividend based on the Group's results for the year. This continuity of dividend policy also involves not suspending the dividend completely in bad years – where financially justifiable.

The necessary prerequisite for this however is that the financial statements of ThyssenKrupp AG show an unappropriated net income. Due to the net loss generated in the past fiscal year, no unappropriated net income is posted at September 30, 2012; there will therefore be no dividend payment. The net loss resulted in particular from extraordinary expense due to write-downs in connection with the combination of our former stainless steel division with the Finnish stainless steel manufacturer Outokumpu and the large impairment charge at Steel Americas. The net loss was offset using income carried forward and by partial reversal of reserves recorded in prior years.

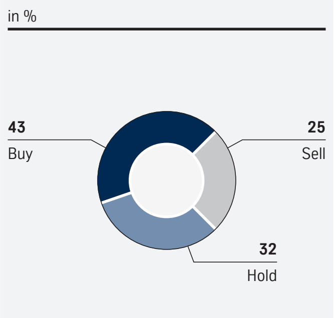
Broad-based shareholder structure

The largest ThyssenKrupp AG shareholder is the Alfried Krupp von Bohlen und Halbach Foundation in Essen (AKBH Foundation). The Foundation holds 25.33% of the Company's stock. The rest of the stock is widely dispersed. Institutional investors in Germany and abroad hold almost 65% of the capital stock. Private investors own 10% of ThyssenKrupp AG. ThyssenKrupp AG does not currently hold any treasury shares. The free float, generally used to weight ThyssenKrupp's stock in stock indices, is 74.67% of the capital stock.

Analysts' response to strategic development program positive

At the end of the reporting year analysts from 28 international financial institutions and brokers provided coverage of ThyssenKrupp AG, regularly analyzing the company's strategy and making investment recommendations based on the stock's potential. Considering that currently four banks are restricted in publishing investment recommendations due to their involvement in preparing ThyssenKrupp transactions, the number of analysts remains at a high level. Not least, the investment recommendations at September 30, 2012 reflect the potential that analysts attach to the stock in view of the progress made in implementing the strategic measures.

ANALYST RECOMMENDATIONS FOR THYSSENKRUPP STOCK
AT SEPTEMBER 30, 2012



Investor Relations focus on capital goods activities

The progress made in the strategic development of the Group and the associated value potential continued to be central themes in Investor Relations' dialogue with the capital market in the fiscal year. In providing valuation-relevant information a particular aim was to emphasize the capital goods activities more strongly – their stable earnings and cash flow contributions as well as their business models and value opportunities.

Capital goods companies are generally valued significantly more highly than steel companies on the capital market. Due to our long-time strategic alignment and focus on the Materials activities, the stock market still mainly classifies and values ThyssenKrupp as a steel company. Primary goals of our investor relations work are to reposition ThyssenKrupp as a diversified industrial group and achieve a fairer stock market valuation.

Not least for this reason Investor Relations, together with the managements of the capital goods businesses, organized a Capital Markets Day in December 2011. The focus was on the business areas Elevator Technology, Plant Technology, Components Technology and Marine Systems, which were the subject of detailed presentations and subsequent discussions. The event was complemented by a tech show in which products and processes were presented in a hands-on way. Both the presentations and the tech show met with great interest from the financial analysts and investors from Europe and the USA, as shown by the lively discussions and the subsequently published analyst comments.

Building on this platform we continued the capital goods dialogue in roadshows and investor conferences in the further course of the fiscal year, establishing further contacts with the capital goods sector. In addition we continued the practice of the previous year and increasingly visited investor conferences with a capital goods focus.

Your contact with Investor Relations

www.thyssenkrupp.com

If you'd like to contact us or find out about dates planned in the 2012/2013 financial calendar, information can be found on the last page of this annual report or on the internet at www.thyssenkrupp.com under the heading Investor Relations.

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MANAGEMENT REPORT ON THE GROUP

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MANAGEMENT REPORT ON THE GROUP

The Group’s performance in the reporting year, our Strategic Way Forward and the main opportunities and risks we face going forward are the central topics of the management report on the Group. Information on the organizational structure of the Group, the performance of the business areas and the non-financial performance indicators round out the picture of the Company.

Profile and strategy

A firm focus on the markets of the future, structural changes and improvements to our operating performance are securing ThyssenKrupp's growth and value prospects. As a partner to our customers we use our engineering expertise to develop solutions for greater resource efficiency and sustainable processes and products.

Capability profile and organizational structure

Capability profile

For us, innovations and technical progress are key factors in managing global growth and the use of finite resources in a sustainable way. With our engineering expertise in the areas "Material", "Mechanical" and "Plant" we enable our customers to gain an edge in the global market and manufacture innovative products in a cost- and resource-efficient way. Our capabilities in the Material area include custom materials solutions, efficient materials manufacturing and processing, and materials services. In the Mechanical area we design and manufacture high-quality components for the automotive, machinery, energy and construction sectors. We also produce innovative technological goods such as modern elevator systems. The Plant area extends from the engineering and construction of complete industrial complexes to a global service network and advanced naval technology.

Organizational and management structure

Pages 190–208

As of September 30, 2012 our continuing operations are organized in six business areas. Steel Europe, Materials Services, Elevator Technology, Plant Technology, Components Technology, and Marine Systems. As part of the strategic way forward our successful plant engineering business will be further strengthened and expanded. As of January 01, 2013 the business areas Plant Technology and Marine Systems will be merged into a new Industrial Solutions business area. Our business areas are organized into operating units and Group companies operating independently on the market. Altogether around 720 companies and equity interests in 77 countries make up the ThyssenKrupp Group. Details on shareholdings are provided in the Notes. As of September 30, 2012 the business area Steel Americas is classified as a discontinued operation under IFRS. Stainless Global (Inoxum) has been reported as a discontinued operation since September 30, 2011. Unless stated otherwise we report on the Group as a whole. However, forward-looking statements relate exclusively to the continuing operations. Key figures for the fiscal year are stated and commented upon both for the Group as a whole and the continuing operations.

The Group is led strategically by ThyssenKrupp AG as corporate headquarters. Founded in 1999 as a stock corporation under German law, the company has dual domiciles in Essen and Duisburg. The headquarters, the ThyssenKrupp Quarter, are located in Essen. The Executive Board of ThyssenKrupp AG sets the strategy for the Group's development and steers the business areas, the central corporate functions, and the regions. In addition to their directorates the members of the Executive Board are responsible for specific regions.

The future success of the Group requires greater global connectedness. ThyssenKrupp will therefore be overhauling the way it is organized, moving towards a three-dimensional management structure (matrix organization) made up of operating businesses, functions and regions.

The Group's strategic way forward

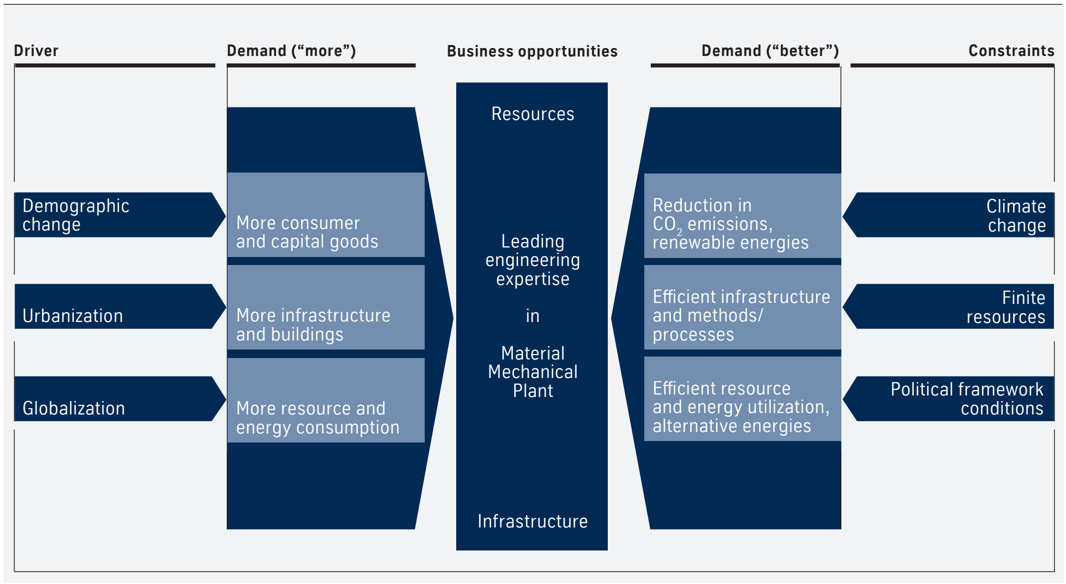
Global trends offer good future opportunities for ThyssenKrupp.

Global trends such as demographic change, increasing urbanization, and globalization of goods and trade flows mean that worldwide demand is rising continuously. The economic strength of many emerging countries is growing rapidly. The world needs "more" consumer and capital goods, infrastructure, raw materials and energy. At the same time, rising demand is faced with constraints: Natural resources are finite, and climate change is a reality. Therefore, resources, raw materials and energy must be used more efficiently.

So the world needs not just "more" but above all "better" solutions: better use of resources, more efficient infrastructure, greener production processes and more sustainable consumer and capital goods.

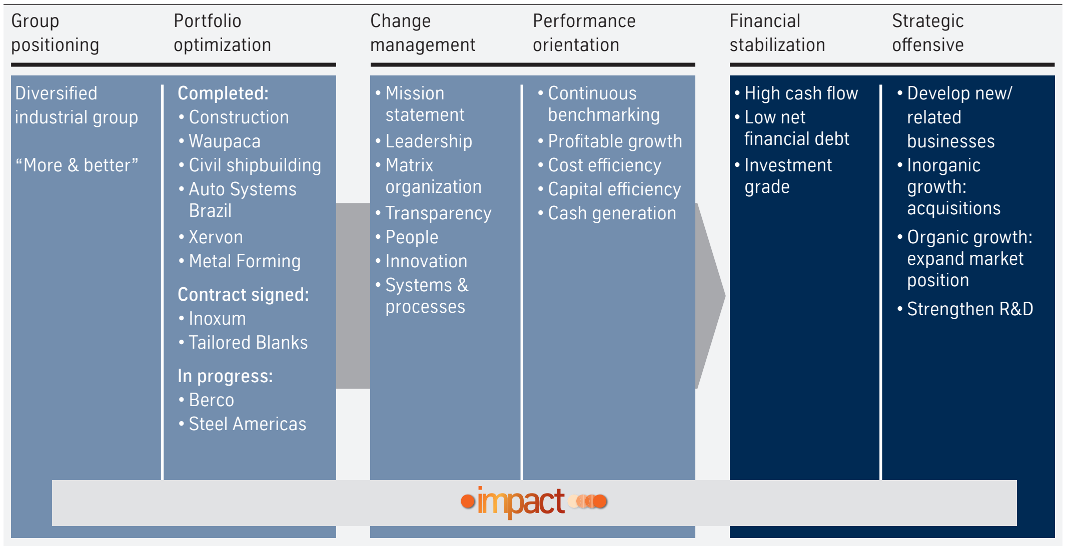
This opens up enormous opportunities for ThyssenKrupp. With our leading engineering expertise in many fields we can meet demands for both "more" and "better" – in the industrialized countries and also in the emerging markets – and so create clear competitive advantages for our customers and hence also for ourselves.

BUSINESS OPPORTUNITIES FOR THYSSENKRUPP



To focus the Group firmly on these global trends, in May 2011 we decided on an extensive strategic development program. The pillars of our strategic way forward are continuous portfolio optimization, the leadership and organizational changes needed for the new course, and a stronger performance orientation. This will strengthen our financial base and give us the necessary flexibility to focus our businesses on the markets of the future.

THYSSENKRUPP - STRATEGIC WAY FORWARD



ThyssenKrupp made major progress in implementing its strategic development program in the reporting year.

Portfolio optimization program executed

As part of the strategic development program, businesses representing sales of more than €10 billion were put up for sale. The portfolio optimization program has been fully executed:

- The agreement to combine the Finnish stainless steel producer Outokumpu with Inoxum, the stainless steel arm of ThyssenKrupp, was signed on January 31, 2012. The EU Commission approved the combination in November 2012. The transaction is now only subject to approval by the Chinese authorities. We are confident that we can close the transaction by the end of 2012. The combination creates a new world market leader in the stainless steel sector in which ThyssenKrupp holds a 29.9% stake.

- The sale of the Construction Group from the Steel Europe business area to Kingspan Group plc – an internationally successful manufacturer of construction elements and insulating materials – was closed on September 11, 2012.

- The US iron foundry Waupaca from the Components Technology business area was sold to KPS Capital Partners, a New York-based private equity company, on June 29, 2012.

- The restructuring of our shipyards is largely completed. The civil shipbuilding operations of the Marine Systems business area were divested on January 31, 2012. The companies sold are Blohm + Voss Shipyards, Blohm + Voss Repair (including Blohm + Voss Oil Tools) and Blohm + Voss Industries and their subsidiaries. ThyssenKrupp will concentrate on building naval surface ships and submarines in the future.

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The restructuring of the shipyards is largely completed.

- A suitable new owner was also found for Automotive Systems Industrial do Brasil – the Brazilian automotive systems operations of the Components Technology business area – in Magna International. The transaction was closed on December 06, 2011.

- We found a suitable new owner for our industrial services group Xervon in REMONDIS. The closing took place on November 30, 2011. The Materials Services business area thus took a major step in realigning its industrial services business.

- The sale of the Metal Forming group to the Spanish automotive supplier Gestamp Automación was completed back in July 2011.

- At the end of September 2012 we signed an agreement with Wuhan Iron and Steel Corporation (WISCO) on the sale of ThyssenKrupp Tailored Blanks from the Steel Europe business area. The sale is subject to approval by the competent regulatory authorities.

In the Components Technology business area we completed the integration of the chassis operations of the Bilstein group and Presta Steering into ThyssenKrupp Chassis as planned in spring 2012, creating a major chassis full-service provider with a global footprint and sales of around €3 billion.

In addition, the Executive Board of ThyssenKrupp AG has decided to develop ThyssenKrupp Federn und Stabilisatoren within the Group. To this end an extensive restructuring plan will now be implemented at the Olpe and Hagen-Hohenlimburg locations. The plan will make it possible to secure the future of the German operations and marks an important strategic step for the whole springs and stabilizers group worldwide.

Sale of Steel Americas in progress

In May 2012 we announced that we are examining strategic options for the two new plants of the Steel Americas business area in Brazil and the USA. The background to this decision is that the economic conditions in Brazil and the USA have changed significantly and adversely for us since the tandem model with the slab plant in Brazil and the processing plant in Alabama was developed. Technologically, both plants hold leading positions in their respective markets. Numerous interested parties have satisfied themselves of the quality and performance capability of the plants. In September 2012 the Supervisory Board noted with approval the Executive Board's plan to launch a bidding process for Steel Americas. A selection of interested parties now have the opportunity to assess the plants and submit binding purchase bids. We are confident of finding a best-owner solution for both plants in the course of the new fiscal year. The Steel Americas business area is reported as a discontinued operation. We report on the effects of the disposal process on the Group's financial position and results of operations in fiscal 2011/2012 in the sections "Financial position" and "Consolidated results of operations".

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Change management supports strategic development

Alongside continuous portfolio optimization, change management is a key pillar of our strategic development program. To achieve our vision to become a diversified industrial group we must also change our corporate culture, the way we work together, and become more performance-oriented. We are moving from thinking in silos to joined-up thinking and working. The framework for this is our mission statement. As a kind of "corporate constitution" it creates a common roof for all employees, in operating units, functions and regions. It encourages more transparency, openness and cooperation. More than 10,000 employees in 19 countries have so far taken part in mission statement workshops. Many others are participating in regular formats such as Executive Board in Dialogue and works meetings.

At the same time we are working on our leadership culture. By leadership we mean setting the strategic course, clearly defining the associated strategic goals, and creating a framework for meeting them. We need direct and cooperative means of communication and collaboration between employees and managers. Our managers must be enabled to identify and utilize opportunities for improvement. Our goal is to rank among the best in the market in all our businesses.

The matrix organization will connect businesses, functions and regions more closely.

Stronger integration of our global activities is also to be supported by the introduction of a matrix organization closely connecting the three dimensions business, function and region. Global operating responsibility will remain with the business areas, but the regions will be involved more strongly in earnings responsibility in the future. In the foreign markets our Group companies are to operate with a common market identity and efficient structures. This will enable us to better exploit opportunities particularly on the growth markets. Pilot projects are already underway in North America, Brazil, India and China; other regions will follow.

The idea of greater integration is also reflected in our Corporate Center Technology, Innovation & Quality, which combines the competencies of our Group companies in the areas of innovation, research and development. Its activities extend from defining and analyzing key technological themes to designing the elements of a holistic innovation management system. With our established “Innovation and Technology Competency Network” and our annual “ThyssenKrupp Technology Forum” the aim is for technology and innovation managers across the Group to interact and learn from each other.

Several projects to standardize the IT infrastructure and reporting processes are being carried out to make Group management more efficient and increase transparency.

Performance orientation fundamental to strategic development

A further pillar of our strategic development program is a stronger performance orientation. Our goal is to significantly improve the operating performance of the Group. The criteria we use to assess the performance of our businesses include not only value- and earnings-based indicators but also cash generation. Cash improvements form the basis for our ability to invest and are therefore fundamental to positioning ThyssenKrupp as a diversified industrial group and growing profitably.

An important element of this performance orientation is an efficiency program designed to build on the initiatives begun with the corporate program impact. The aim is to achieve a cumulative positive EBIT effect of €2 billion over the next three years. The program addresses various points.

Firstly the efficiency of the business areas is to be increased. We aspire to achieve clear competitive advantages, hold leading market positions and generate best-possible earnings in all our businesses. For this we compare our businesses not just internally but also with our most important competitors. This continuous benchmarking process extends down to individual Group company level.

In addition, various cross-cutting initiatives are being implemented to improve systems and processes and unlock synergies. One example is the program synergize+, which was launched in April 2012 to better manage purchasing activities across the Group. This performance initiative will lead to a sustainable reduction in the cost of bought-in products and services.

The introduction of the matrix organization will also improve performance on a sustainable basis. The tightening of the Group's leadership structure will make Group headquarters and the business areas more efficient. Through the regional organization strengths will be combined in key regions, enabling us to identify and exploit growth opportunities more efficiently.

Stable finances are a prerequisite for investments in the future.

Strategic offensive

Stabilizing our finances is a prerequisite for being able to invest more in expanding our strategically attractive businesses in the coming years. This also includes a significant reduction in our temporarily increased gearing, particularly through a sale of Stainless Global and Steel Americas. Our goal, through the initiated structural and operating improvements and through continuous strategic development, is to generate sustainable high positive cash flow and reduce our net financial debt. As part of a strategic push in the coming years we want to expand both in the emerging growth regions and in the industrialized countries. This can be achieved by strengthening our market positions, by developing new fields of business, and by acquisitions.

Despite the financial constraints we made a number of selective acquisitions in the past fiscal year:

- To strengthen its presence on the Asian coke plant market the Plant Technology business area acquired Tokyo-based Otto Corporation on October 05, 2012. Its portfolio of chemical process technologies is an excellent fit with the business area's activities. The company operates in Japan as a wholly-owned subsidiary under the name ThyssenKrupp Otto.

- On July 02, 2012 the Plant Technology business area purchased London-based Energy & Power Global Limited, so expanding its activities in the international chemical engineering business. The engineering consultancy will act as a central hub for Plant Technology's engineering and consulting activities in the global oil and gas business.

- The Elevator Technology business area expanded its international activities through further acquisitions. In North America the acquisition of the operations of United Elevator Corp. in Philadelphia, USA, and Sterling Elevator Services Corp. in Alberta, Canada, will significantly strengthen the elevator business in the region. A joint venture was set up with an Indian company in Mumbai to further expand our operations in Asia. In Europe, the service business was strengthened by targeted acquisitions.

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In addition we invested particularly in organic growth in the areas "Mechanical" and "Plant". More details are contained in the section "Financial position/Capital expenditures".

As well as investing in our businesses we also want to grow our engineering competencies. For this we will further increase our research and development spend and align it more closely with the needs of our customers. Through better coordination and management of research and development efforts we will get our innovations to market faster and significantly improve our earning power in the medium term.

Corporate program impact bundles all strategic development activities

The corporate program impact forms the platform for numerous activities and measures in connection with the strategic realignment. Alongside portfolio optimization and change management, above all a stronger performance orientation is an important pillar of our strategic way forward.

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"impact 2015" targets an EBIT effect of €2 billion

Since the introduction of impact in May 2011 a large number of performance measures have been implemented. For 2011/2012 we set ourselves the target in "impact 300" to achieve a positive EBIT effect of €300 million from performance measures. We exceeded this target. For the coming three fiscal years through 2014/2015 we have a new target in "impact 2015": a cumulative positive EBIT effect from performance measures of €2 billion.

An important element for a sustainable improvement in performance is benchmarking: For this a deep understanding of our strengths and weaknesses relative to our competitors is indispensable. Using benchmarking we want to identify measures to improve performance, close gaps to our competitors and give ourselves a sustainable competitive edge.

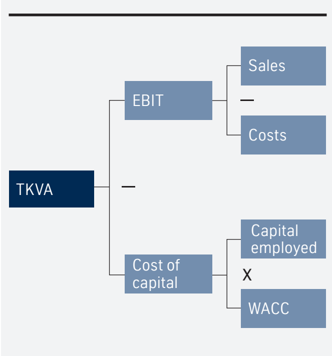
As well as generating positive EBIT effects, another focus of the performance measures is to improve the cash situation. Continuous cash improvements create the scope for future investments and are fundamental to developing ThyssenKrupp as a diversified industrial group.

The success of many impact measures and initiatives demonstrates that the program has effectively motivated employees and managers alike. We are therefore confident that we will also achieve the targets of "impact 2015".

Value-based management

ThyssenKrupp uses a value-based management system to manage the performance of the Group.

CALCULATION OF THYSSENKRUPP VALUE ADDED (TKVA)



ThyssenKrupp Value Added as a value-based performance indicator

Alongside a strong cash flow focus and EBIT/adjusted EBIT as well as the corresponding returns on sales and capital, ThyssenKrupp Value Added (TKVA) forms the basis for management processes and decision-making at strategic and operating level, e.g. in investment and portfolio decisions. We use TKVA for setting targets, measuring performance and determining compensation.

TKVA measures the value created in a period at all levels of the Group. It is calculated as earnings before interest and taxes (EBIT) minus the cost of capital employed in the business. To obtain the cost of capital, capital employed is multiplied by the weighted average cost of capital (WACC), which comprises equity, debt and the interest rate for pension provisions.

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The section “Consolidated results of operations” contains information on the development of TKVA in the reporting year.

Operating performance indicator adjusted EBIT

We also use adjusted EBIT to measure and manage the performance of our operations. As EBIT also has a major impact on TKVA, operational management and value management are closely interlinked.

EBIT contains only components of financial income/expense that are operational in nature. These include income and expense from investments. Interest income/expense is generally not operational in nature. Also, the receipt of advance payments, particularly in the business areas with long-term construction contracts, is an integral part of risk management and thus of operating business. To recognize these advance payments, and the interest and financing effects attainable with them, in our value management, the EBIT of the relevant business areas is increased by an imputed earnings contribution.

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The Group’s EBIT, the EBIT of the business areas and adjustments for special items are explained in detail in the section “Consolidated results of operations” Additional information can be found in the section “Results of operations of the business areas”.

Summarized assessment by the Executive Board on the state of the Group

The high impairment charges have significantly impacted the Group's financial position. Our equity ratio has decreased considerably and our gearing is temporarily substantially higher. However, the liquidity of the Group is secured. Although the weak economic climate and uncertainties arising from the unresolved debt crisis weighed on our business, our continuing operations performed robustly. For the Group as a whole and the continuing operations, order intake and sales were only slightly down from the prior year.

At €(4.4) billion, the Group's EBIT was significantly lower than a year earlier (€(1.0) billion). This was mainly due to the €3.6 billion impairment charges at Steel Americas and the high losses of the discontinued operations. Excluding special items, the Group's adjusted EBIT (including the Steel Americas and Stainless Global business areas) was €318 million, compared with €1,762 million in the prior year. The Group's adjusted EBIT in the structure of the prior year and the interim reports, i.e. including the Steel Americas business area but excluding the Stainless Global business area, was €399 million.

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All continuing operations generated positive earnings in 2011/2012.

EBIT from continuing operations came to €1.0 billion and adjusted EBIT to €1.4 billion, compared with the year-earlier figures of €2.9 billion and €2.8 billion respectively. All continuing business areas made a positive contribution to adjusted EBIT in the reporting year.

The overall Group reported a net loss of €5.0 billion, a €3.2 billion increase from the prior year. Earnings from continuing operations (after taxes) came to €(112) million, compared with €1.8 billion a year earlier. The net loss attributable to shareholders of ThyssenKrupp AG was €(4.7) billion, or €(194) million for earnings from continuing operations.

The high impairment charges also impacted earnings per share, which came to €(9.07) for the overall Group, compared with €(2.71) in the prior year. For the continuing operations, earnings per share came to €(0.38), compared with €3.57 a year earlier.

Net financial debt of the overall Group at the end of 2011/2012 was held as planned at the level of the 3rd quarter – €5.8 billion. On September 30, 2011 it stood at €3.6 billion. In the course of the reporting year it was strongly influenced by the cash outflows at Steel Americas and Stainless Global. Without these cash outflows, the operating cash flow of the continuing operations was positive. Although €2.2 billion of gross financial debt will fall due in fiscal 2012/2013, the financing and liquidity of the Group remain on a secure basis for fiscal 2012/2013 thanks to available liquidity of €6.7 billion (cash and cash equivalents and undrawn committed credit facilities).

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At September 30, 2012, write-downs resulted in a temporary increase in our gearing to 128.1%. As in the prior year, this meant that the 150% upper limit for gearing stipulated in some credit agreements was not exceeded at September 30, 2012. Details of the credit agreements in question can be found in the sub-section “Central financing and maintenance of liquidity”. The sale of Stainless Global and Steel Americas will significantly reduce our gearing.

With the write-down at Steel Americas, a major risk identified and transparently managed in our risk management system has occurred. This risk management system now goes well beyond the legal requirement for early identification of risks. But despite comprehensive analysis, evaluation and control, the occurrence of risks cannot be systematically ruled out. After the write-down at Steel Americas and the sale of Stainless Global, the Group’s risk portfolio will reduce in fiscal 2012/2013. From the current perspective we see no risks that threaten the existence of the Company as a going concern.

Key performance indicators for the overall Group and the continuing operations in the reporting year versus the prior year are shown in the following table:

		Total Group				Continuing operations			
		2010/2011	2011/2012	Change	Change in %	2010/2011	2011/2012	Change	Change in %
Order intake	million €	50,247	48,742	(1,505)	(3)	44,333	42,326	(2,007)	(5)
Sales	million €	49,092	47,045	(2,047)	(4)	42,725	40,124	(2,601)	(6)
EBITDA	million €	3,385	1,544	(1,841)	(54)	4,026	2,425	(1,601)	(40)
EBIT	million €	(988)	(4,370)	(3,382)	--	2,886	976	(1,910)	(66)
Adjusted EBIT	million €	1,762	318	(1,444)	(82)	2,762	1,382	(1,380)	(50)
EBT	million €	(1,578)	(5,067)	(3,489)	--	2,294	315	(1,979)	(86)
Adjusted EBT	million €	1,172	(379)	(1,551)	--	2,170	721	(1,449)	(67)
Net income/(loss) / Income/(loss) (net of tax)*	million €	(1,291)	(4,668)	(3,377)	--	1,702	(194)	(1,896)	--
Basic earnings per share	€	(2.71)	(9.07)	(6.36)	--	3.57	(0.38)	(3.95)	--
Operating cash flows	million €	776	(386)	(1,162)	--	2,261	68	(2,193)	(97)
Free cash flow	million €	(1,571)	(1,736)	(165)	(11)	1,468	(365)	(1,833)	--
Distribution	million €	232	—	—	—				
Dividend per share	€	0.45	—	—	—				
Net financial debt (September 30)	million €	3,578	5,800	2,222	62				
Total equity (September 30)	million €	10,382	4,526	(5,856)	(56)				
Gearing	%	34.5	128.1	93.6	—				

*Attributable to shareholders of ThyssenKrupp AG

The decision to divest the Steel Americas business area marks a major step in the strategic development of the Group. It already gives us a better picture of the earnings situation and structure of the Group in its future alignment: For example, Steel Europe and Materials Services achieved unconsolidated adjusted EBIT of €558 million in 2011/2012; orders and sales declined due to lower volumes and prices. The performance of our capital goods operations was less volatile and much more robust. Elevator Technology, Plant Technology, Components Technology and Marine Systems generated unconsolidated adjusted EBIT of €1.7 billion; order intake and sales increased to new record levels.

The portfolio optimization program has been executed.

Overall we have made major progress on the strategic development of the Group since May 2011. The portfolio optimization program has been fully executed: Viable solutions have already been implemented or contracts concluded for all the assets involved. Above all the combination of Inoxum with Outokumpu is an important step forward. We are working intensively on the sale of Steel Americas initiated in September 2012 with the start of the bidding process. The disposal of businesses as part of the portfolio optimization program is a key prerequisite for greater financial stability, profitable investments in the future, and a quick return to dividend continuity.

Consolidated results of operations

The large impairment charge at Steel Americas was responsible for Group EBIT of €(4.4) billion in 2011/2012. Adjusted for special items, operating earnings (adjusted EBIT) came to €318 million. The continuing operations achieved adjusted EBIT of €1.4 billion. While our capital goods operations achieved new record levels of orders and sales, the materials operations were impacted by the economic slowdown.

General economic conditions

The global economy was extremely weak in the course of 2012. After slipping to 3.3% in 2011, growth in global GDP slowed further to less than 3% in 2012. The industrialized countries were primarily affected by this, recording economic growth of only 1.3% in 2012.

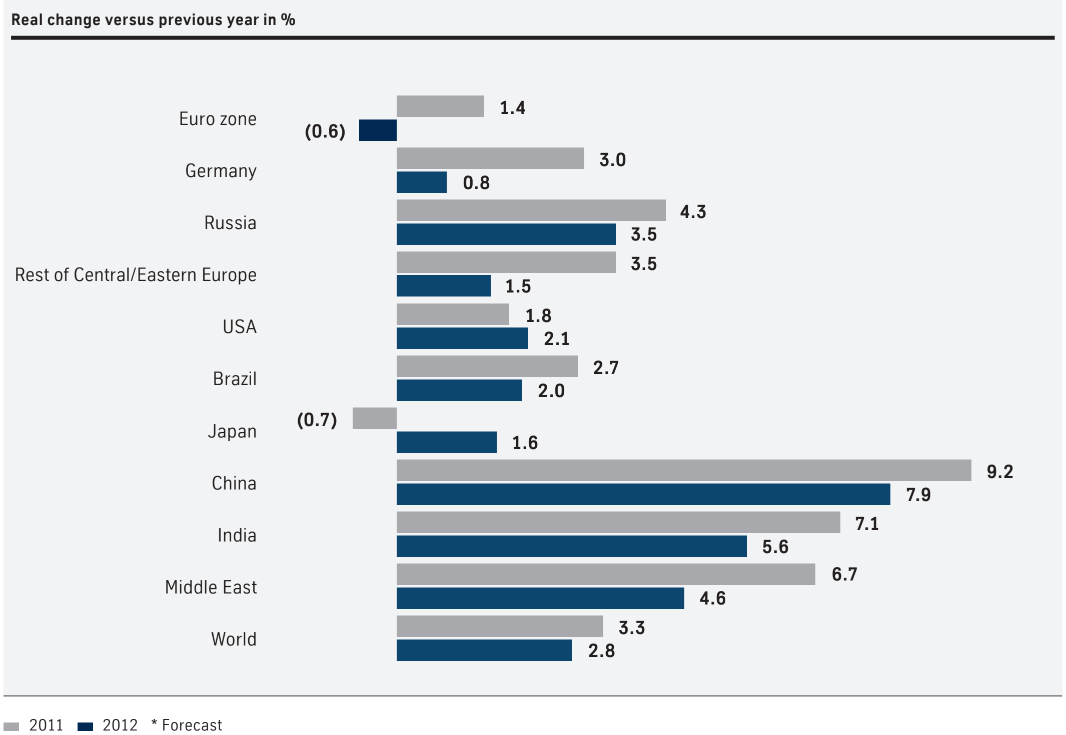
Euro zone in recession

The economic performance of the euro zone was particularly disappointing and failed to fulfill the expectations of a year ago. Economic output fell by an estimated 0.6% in 2012. The economies of southern Europe in particular are in recession due to the ongoing debt crisis. The German economy continued to grow, but at a much slower pace than a year earlier. German GDP increased by an estimated 0.8% in 2012 thanks to high exports and rising consumer spending due to the positive labor market situation.

The USA achieved growth of 2.1% in 2012.

The USA showed moderate economic growth in 2012. The only slow improvement on the labor market and the pressure to consolidate public-sector budgets weighed on the economy. Nevertheless, a slight increase in consumer spending and high business spending contributed to growth of 2.1%. In Japan the economy recovered after the previous dips; GDP grew by an estimated 1.6% in 2012, due in part to disaster-related reconstruction.

GROSS DOMESTIC PRODUCT 2011, 2012*



* Forecast

In the emerging economies the previously mainly high growth rates slowed slightly. GDP growth in these countries fell to 5.0% overall in 2012, also due to the flat economy in Europe. Nevertheless, China and India still grew relatively strongly at 7.9% and 5.6% respectively.

Western European industry weaker

Flat carbon steel – The weak economic climate also weighed on the international steel markets. Global demand for finished steel increased by only 2% to roughly 1.41 billion metric tons in 2012, corresponding to crude steel output of 1.55 billion tons. This small increase was mainly due to slower growth in China, where demand rose by less than 3% to 639 million tons. EU steel demand fell by almost 9% to 140 million tons. In Germany demand decreased by 6% to just under 39 million tons. German crude steel production at an estimated 42 million tons was 4% down from the albeit very high prior-year level. US finished steel demand increased by 8% to 97 million tons, mainly due to buoyant auto industry activity.

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Steel demand in Germany decreased in 2012.

Demand on the European flat carbon steel market remained slow overall in 2012. After moderate restocking in the 1st quarter 2012, leading to a brief surge in demand, the weakening economy made itself increasingly felt in the months afterwards. Stocks were reduced; distributors and end users ordered cautiously. Flat steel prices on the European spot markets, which rose strongly in the first three months of 2012, came under pressure again from the 2nd quarter. Weak demand in Europe and the lower euro exchange rate lessened import pressure from third countries. European producers therefore suffered comparatively moderate volume losses in the EU and were able to regain share in the declining EU market. The US flat carbon steel market recorded a strong increase in demand from key steel-using industries in the 1st half 2012. However, high shipments by domestic producers and increasing imports led to oversupply, triggering a larger price drop than in Europe.

Global auto production increased by 6% in 2012.

Automotive – Global automobile production increased by an estimated 6% to just under 79 million cars and light trucks in 2012. However there were very marked regional differences. In the USA, strong pent-up demand led to a 16% increase in production to 9.8 million vehicles. China produced an estimated 17.3 million vehicles in 2012, 8% more than a year before. Japan increased its production by 19% to 9.4 million vehicles.

In other regions, fewer vehicles rolled off the production lines in 2012. Brazilian auto production fell year-on-year by 2% to 3.0 million cars and light trucks. Car production in Western Europe was down 8% at 14 million vehicles. Sales in southern Europe declined sharply as a result of the debt crisis. In Germany, new registrations and output remained virtually unchanged; however, due to statistical changes a 6% decline in production to 5.7 million vehicles will be reported.

Machinery – Due to weaker capital spending in many countries the sector was unable to sustain the prior year's very high rate of growth in 2012. Growth in machinery production is expected to slow to 6% in the USA and to 12% in China. A slight decline is probable in Japan.

German machinery manufacturers will increase their output by 1% in 2012, but only thanks to high orders in hand from the prior year. New orders from the domestic and foreign markets have declined in the year to date. Demand for elevators and escalators in 2012 has also decreased year-on-year, and the same applies to the German engineering and construction sector.

Construction – The construction sector in the industrialized countries has been mainly weak in 2012. While the US property market stabilized at a low level in the course of the year, there were further declines in the countries of southern Europe. China and India reported higher growth in construction output.

The German construction industry has been in robust shape in 2012. New orders have increased in the year to date. Housing construction in particular has shown high growth, benefiting from low mortgage rates.

SITUATION ON IMPORTANT SALES MARKETS

	2011	2012*
Demand for finished steel, million tons		
World	1,381	1,405
Germany	41.1	38.6
USA	89.1	96.5
China	623.9	639.5
Vehicle production, million cars and light trucks		
World	73.8	78.6
Western Europe/Turkey	15.1	14.0
Germany**	6.1	5.7
USA	8.5	9.8
Japan	7.9	9.4
China**	16.0	17.3
Brazil**	3.1	3.0
Machinery production, real, in % versus prior year		
Germany	12.1	1.0
USA	9.5	6.0
Japan	10.5	(1.0)
China	17.2	12.0
Construction output, real, in % versus prior year		
Germany	13.4	1.7
USA	1.1	1.8
China	11.1	7.9
India	6.3	6.8

* Forecast
** different statistical basis for 2012: excl. CKD (complete knock-down kits)

Business performance of the Group

Given the overall economic situation ThyssenKrupp held its ground in the past fiscal year. The continuing difficult market environment weighed on our materials operations, whereas the more robust capital goods businesses achieved year-on-year growth. Overall, new orders and sales from continuing operations were slightly down from the prior year. Adjusted earnings before interest and taxes (adjusted EBIT) from continuing operations came to €1.4 billion; it was positive in all business areas.

THYSSENKRUPP CONTINUING OPERATIONS

		2010/2011	2011/2012	Change in %
Order intake	million €	44,333	42,326	(5)
Sales	million €	42,725	40,124	(6)
EBITDA	million €	4,026	2,425	(40)
EBIT	million €	2,886	976	(66)
EBIT margin	%	6.8	2.4	—
Adjusted EBIT	million €	2,762	1,382	(50)
Adjusted EBIT margin	%	6.5	3.4	—
EBT	million €	2,294	315	(86)
Adjusted EBT	million €	2,170	721	(67)
Income/(loss) (net of tax) (attributable to ThyssenKrupp AG's shareholders)	million €	1,702	(194)	--
Basic earnings per share	€	3.57	(0.38)	--
Operating cash flows	million €	2,261	68	(97)
Free cash flow	million €	1,468	(365)	--
Employees (September 30)		164,500	152,123	(8)

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At September 30, 2012 the Steel Americas business area met the conditions for classification as a discontinued operation. This has been the case for the Stainless Global business area since September 30, 2011. More details can be found in the section “Profile and strategy”.

Capital goods business strong, decline in materials activities

The continuing operations of ThyssenKrupp achieved new orders worth €42.3 billion in fiscal 2011/2012, 5% less than a year earlier. Low volumes and prices had a significant impact on Steel Europe and Materials Services. The order situation at Plant Technology was stable overall, but the postponement of major projects led to lower new orders. Elevator Technology and Marine Systems achieved two-digit growth in new orders. Order intake at Components Technology was level with the prior year.

Including the discontinued operations Steel Americas and Stainless Global, the Group’s order intake dropped by 3% to €48.7 billion.

ORDER INTAKE BY BUSINESS AREA IN MILLION €

	2010/2011	2011/2012	Change in %
Steel Europe	12,344	10,455	(15)
Materials Services	14,768	13,146	(11)
Elevator Technology	5,281	6,149	16
Plant Technology	4,475	4,030	(10)
Components Technology	6,921	6,933	0
Marine Systems	2,977	3,601	21
Corporate	143	158	10
Order intake of the business areas	46,909	44,472	(5)
Consolidation	(2,576)	(2,146)	—
Order intake of continuing operations	44,333	42,326	(5)
Steel Americas	1,293	2,081	61
Stainless Global	6,045	5,611	(7)
Consolidation	(1,424)	(1,276)	—
Group order intake	50,247	48,742	(3)

Sales from continuing operations decreased by 6% to €40.1 billion. The weak market resulted in declining sales at Steel Europe and Materials Services. The lower sales at Marine Systems were mainly due to the disposal of the civil shipbuilding business. Elevator Technology achieved a new sales record. Plant Technology and Components Technology recorded largely stable business with slight sales growth.

Group sales including the discontinued operations Steel Americas and Stainless Global were down 4% year-on-year at €47.0 billion.

SALES BY BUSINESS AREA IN MILLION €

	2010/2011	2011/2012	Change in %
Steel Europe	12,814	10,992	(14)
Materials Services	14,776	13,165	(11)
Elevator Technology	5,253	5,705	9
Plant Technology	4,004	4,070	2
Components Technology	6,908	7,011	1
Marine Systems	1,493	1,187	(20)
Corporate	143	158	10
Sales of the business areas	45,391	42,288	(7)
Consolidation	(2,666)	(2,164)	—
Sales of continuing operations	42,725	40,124	(6)
Steel Americas	1,139	2,014	77
Stainless Global	6,739	6,346	(6)
Consolidation	(1,511)	(1,439)	—
Group sales	49,092	47,045	(4)

Adjusted EBIT: positive contributions from all business areas

Adjusted EBIT from continuing operations came to €1,382 million, down from €2,762 million a year earlier. All the continuing business areas achieved positive earnings contributions, which together, after taking Corporate into account, added up to €1,800 million. Consolidation items amounted to €(418) million. Adjusted EBIT margin from continuing operations decreased year-on-year from 6.5% to 3.4% mainly due to weaker materials business.

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The Group's adjusted EBIT came to €318 million in 2011/2012.

Including the discontinued operations Steel Americas and Stainless Global, the Group's adjusted EBIT deteriorated from €1,762 million to €318 million; adjusted EBIT margin fell from 3.6% to 0.7%. Excluding the Stainless Global business area but including the Steel Americas business area, adjusted EBT corresponding to the classifications of the prior-year report and the interim reports comes to €399 million.

ADJUSTED EBIT BY BUSINESS AREA IN MILLION €

	2010/2011	2011/2012	Change in %
Steel Europe	1,133	247	(78)
Materials Services	533	311	(42)
Elevator Technology	641	587	(8)
Plant Technology	506	520	3
Components Technology	503	453	(10)
Marine Systems	213	169	(21)
Corporate	(356)	(487)	(37)
Adjusted EBIT of the business areas	3,173	1,800	(43)
Consolidation	(411)	(418)	—
Adjusted EBIT of continuing operations	2,762	1,382	(50)
Steel Americas	(1,071)	(1,010)	6
Stainless Global	15	(80)	--
Consolidation	56	26	—
Adjusted EBIT of the Group	1,762	318	(82)

EBIT significantly impacted by special items

EBIT from continuing operations in 2011/2012 came to €976 million. This includes special items of €406 million; the biggest single items were €(359) million net gains on disposals under the portfolio optimization program, and impairment charges of €446 million.

Special items of €59 million were recorded at Steel Europe, mainly for a loss from the disposal of the construction elements group. Materials Services recorded special items of €184 million. These mainly comprised the fine imposed by the Federal Cartel Office in connection with the rail cartel. Elevator Technology carried out extensive restructurings in the reporting year, particularly at the US locations of Accessibility, the southern European operations and the elevator plants in Neuhausen. These are mainly responsible for the special items of €199 million. Components Technology recorded special items of €(228) million. They include high disposal gains from the sale of the US foundry Waupaca and the chassis component manufacturer Automotive Systems do Brasil; these were partly offset by impairment charges resulting from the sale of Berco. High impairment charges in connection with the disposal of the civil shipbuilding operations were responsible for the special items of €183 million at Marine Systems. Only minor special items were recorded at Plant Technology and Corporate.

SPECIAL ITEMS FROM CONTINUING OPERATIONS IN MILLION €

	2010/2011	2011/2012	Change in %
EBIT	2,886	976	(66)
+/- Disposal losses/gains	28	(359)	--
+ Restructuring expense	0	92	—
+ Impairment	10	446	++
+ Other non-operating expense	0	264	—
- Other non-operating income	(162)	(37)	77
Adjusted EBIT	2,762	1,382	(50)

Special items of €546 million were incurred at the discontinued operation Stainless Global; these were mainly a fair value adjustment of €400 million in connection with the divestment of Stainless Global, as well as restructuring and impairment charges of €110 million mainly due to the planned closure of the melt shop in Krefeld by the end of 2013.

Impairment charges of €3.6 billion were recorded in connection with the steel mill operations of Steel Americas in Brazil and the USA.

Positive EBT from continuing operations

The continuing operations achieved EBT of €315 million in the reporting year; in the prior year EBT came to €2.3 billion. With the exception of Marine Systems all operating business areas generated a positive earnings contrubution. EBT of €213 million was achieved by the capital goods operations and €1.3 billion by the materials activities. After taking into account the discontinued operations, the Group as a whole reports EBT of €(5.1) billion (prior year: €(1.6) billion). The net loss of the Group as a whole came to €(5.0) billion, increasing by €3.2 billion from the prior year.

MILLION €

	2010/2011	2011/2012	Change in %
Adjusted EBIT Group	1,762	318	(82)
Special items	(2,750)	(4,688)	(70)
EBIT - Group	(988)	(4,370)	--
- Depreciation of capitalized borrowing costs eliminated in EBIT	(42)	(42)	0
+ Interest income	595	793	33
- Interest expense	(1,165)	(1,429)	(23)
- Items of interest income assigned to EBIT based on economic classification	(16)	(46)	--
+ Items of interest expense assigned to EBIT based on economic classification	38	27	(29)
EBT - Group	(1,578)	(5,067)	--
- EBT Steel Americas	3,045	4,729	55
- EBT Stainless Global*	827	653	(21)
EBT from continuing operations as presented in the statement of income	2,294	315	(86)

*incl. measurement adjustments in accordance with IFRS 5

ThyssenKrupp Value Added

In the past fiscal year the Group generated ThyssenKrupp Value Added (TKVA) of €(6,197) million, compared with €(2,962) million a year earlier. Details on TKVA and its main components are shown in the following table:

THYSSENKRUPP VALUE ADDED (TKVA) BY BUSINESS AREA

	2010/2011				2011/2012				
	EBIT (million €)	Average capital employed (million €)	WACC (%)	TKVA (million €)	EBIT (million €)	Average capital employed (million €)	WACC (%)	TKVA (million €)	Change TKVA (million €)
Group	(988)	23,223	8.5	(2,962)	(4,370)	21,488	8.5	(6,197)	(3,235)
Thereof:									
Steel Europe	1,133	5,822	9.0	609	188	5,773	9.0	(332)	(941)
Materials Services	478	3,430	8.5	186	127	2,945	8.5	(123)	(309)
Elevator Technology	801	2,243	8.0	621	387	2,427	8.0	193	(428)
Plant Technology	506	245	9.0	484	520	335	9.0	490	6
Components Technology	543	2,796	9.0	291	681	3,112	9.0	401	110
Marine Systems	213	1,334	9.0	94	(14)	1,134	9.0	(116)	(210)
Steel Americas	(3,145)	7,416	9.0	(3,813)	(4,747)	6,802	9.0	(5,359)	(1,546)
Stainless Global	(785)	3,356	9.0	(1,087)	(626)	2,523	9.0	(853)	234

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More information on the importance of TKVA and EBIT for business management is contained in the section "Value-based management".

Components of earnings

At €40,124 million, net sales from continuing operations in fiscal year 2011/2012 were down year-on-year by €2,601 million or 6%. Cost of sales from continuing operations decreased at a slower rate by €1,033 million or 3%; increased fixed manufacturing costs were partly offset by a sales-related decline in material expense. Gross profit from continuing operations decreased to €5,780 million, while gross profit margin dropped from 17% to 15%.

General and administrative expenses from continuing operations rose by €88 million. This was mainly due to increased consulting expenses in connection with the strategic portfolio optimization and projects to improve performance; in addition there were higher expenses of €24 million from the restructuring measures initiated in the reporting year at Elevator Technology particularly in southern Europe as a result of the difficult market environment there. Selling expenses from continuing operations increased by €70 million, mainly due to higher expenses for sales-related freight and insurance charges and increased personnel expense.

The €181 million decrease in other income from continuing operations included €160 million due to the absence of the refund, reported in the prior year, of a fine imposed by the EU Commission in 2007 for antitrust infringements. Other expenses from continuing operations increased by €371 million, mainly due to impairment charges on goodwill associated with the disposal of the civil operations of Blohm + Voss and expenses in connection with the rail cartel case.

Other gains and losses attributable to continuing operations were €403 million higher than a year earlier. This was mainly due to the gains on the disposals of the US foundry Waupaca, the Xervon group and the Brazilian Automotive Systems activities recorded in 2011/2012.

The €125 million increase in financing income was mainly caused by exchange rate effects in connection with finance transactions, partly offset by reduced interest income from financial receivables. The €186 million increase in financing expense from continuing operations mainly reflected exchange rate effects in connection with finance transactions and increased interest expense for financial debt.

Tax expense from continuing operations of €427 million in the reporting year resulted in an effective tax charge of 135.6%, mainly due to increased valuation allowances for deferred tax assets.

After taking into account income taxes, loss from continuing operations came to €112 million. The €1,904 million deterioration was mainly due to €1,568 million lower gross profit from continuing operations.

Including the €4,930 million after-tax loss from discontinued operations attributable to Steel Americas and Stainless Global, net loss for the reporting period was €5,042 million, €3,259 million more than a year earlier. The after-tax losses from discontinued operations include impairment charges of €3,645 million at Steel Americas and €400 million at Stainless Global.

Net loss attributable to non-controlling interest came to €374 million, compared with €492 million a year earlier. The €118 million reduction was mainly due to the loss situation at ThyssenKrupp Companhia Siderúrgica do Atlântico (CSA).

Related to the net loss attributable to ThyssenKrupp AG shareholders, earnings per share decreased year-on-year by €6.36 to €(9.07). Earnings per share from continuing operations fell by €3.95 to €(0.38).

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Unappropriated net income/loss of €0 million does not allow a dividend payment.

Income of ThyssenKrupp AG

The net loss of ThyssenKrupp AG in the reporting year, calculated according to German GAAP (HGB), came to €3,184 million, compared with a net income of €494 million reported in the prior year. The net loss resulted in particular from extraordinary expense due to write-downs in connection with the combination of our former stainless steel division with Outokumpu. Taking into account the income carried foward from the prior year of €285 million, a withdrawal from the capital reserve of €2,279 million and a withdrawal from other retained earnings of €620 million, unappropriated net income/loss at September 30, 2012 came to €0 million; there will therefore be no dividend payment. In the prior year unappropriated net income came to €517 million.

Number of employees down

On September 30, 2012 ThyssenKrupp employed 152,123 people at its continuing operations, 12,377 or 7.5% fewer than a year earlier. The decrease was due to restructuring measures and to disposals in connection with the strategic portfolio optimization; it mainly affected the business areas Materials Services, Components Technology and Marine Systems. Elevator Technology and Plant Technology recruited new employees.

The number of employees at the continuing operations was down both in Germany and elsewhere. In Germany the headcount fell by 4,764 or 7.5% to 58,447; its share in the total workforce was 38%. The workforce in the rest of the world totaled 93,676 at the end of September 2012, 7,613 or 7.5% fewer than on September 30, 2011.

Including the discontinued operations ThyssenKrupp had 167,961 employees worldwide at the end of September 2012, 12,089 or 6.7% fewer than a year earlier.

Against the background of continuing weak orders the Steel Europe business area introduced short-time working from August 2012. Previously the lower capacity utilization rates of the plants had been offset using instruments such as flexible working-time accounts, leave accounts and repair shifts. Steel Europe currently expects that short-time working will have to be continued until the end of January 2013.

Sales, marketing, corporate brand

Germany was the most important sales market for ThyssenKrupp in 2011/2012; 31% of our products and services went to customers there. We generated 29% of our sales in the rest of Europe. Business with customers in North and Central America showed a sharp rise in the reporting period, accounting for 21%. South America accounted for 5% of our sales, Asia/Pacific 12% and Africa 2%.

SALES BY REGION IN MILLION €

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Change in %
Germany	19,161	13,031	13,933	16,153	14,413	(11)
Europe (excl. Germany)	18,496	13,636	13,928	15,868	13,816	(13)
North and Central America	8,060	6,480	6,535	8,154	10,048	23
South America	1,646	1,377	1,731	2,322	2,169	(7)
Asia/Pacific	4,862	4,342	5,013	5,618	5,695	1
Africa	1,201	1,697	1,481	977	904	(7)
Total	53,426	40,563	42,621	49,092	47,045	(4)

Selling expenses came to €3.0 billion in the reporting period, 3% more than a year earlier. The ratio of selling expenses to net sales was 6.5%.

Integrated brand and marketing strategy

Brand management and marketing at ThyssenKrupp go hand in hand. They are realized according to the same strategic principles and in closely interlinked operating processes. The focus is on our core competencies: engineering expertise in a broad spectrum of industrial sectors. In close cooperation with our customers around the globe we develop intelligent solutions and products tailored precisely to the needs of the different sectors. Along the whole value chain we set standards for particularly economical, efficient and resource-friendly production.

Our integrated brand and marketing strategy is influenced by three major trends: the shift in economic weight between the industrialized and emerging countries; customer requirements for increasingly interdisciplinary solutions; changes in customers' communications and decision-making behavior due to the internet and social media. We are meeting these challenges and opportunities with Groupwide brand, sector, country and online initiatives.

Marketing initiatives

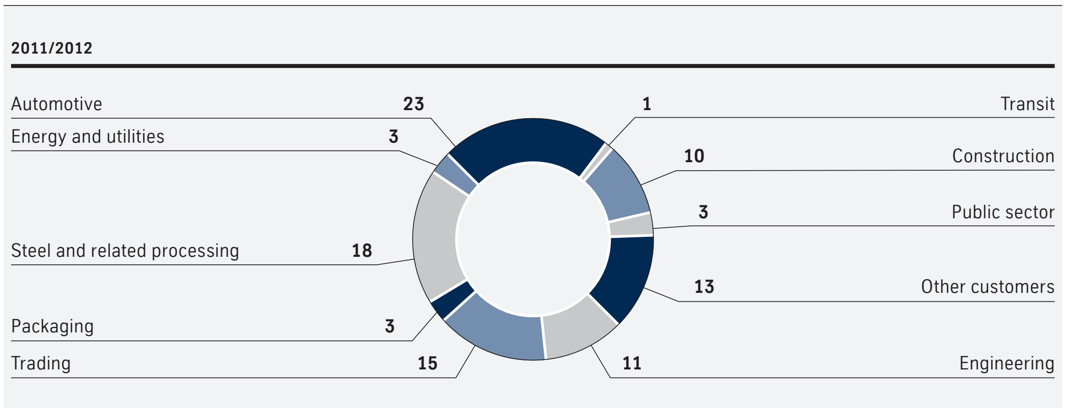
In parallel with the introduction of the matrix organization we are increasing our presence in regions with high market potential: Especially in North America, Brazil, India and China we are supporting the marketing communications of the operating Group companies with overarching country websites and brochures. An international marketing committee is working on harmonizing the central and decentralized processes and on optimizing the organizational interfaces, costs and synergies. We are promoting cross-selling with cross-company marketing initiatives for individual sectors; in the reporting year the focus was on wind energy and minerals & mining.

The ThyssenKrupp website was given a new focus in 2011/2012: “Innovations and products”. The corporate website is being expanded step by step from an information medium into a sales tool, making our wide spectrum of products and services more transparent for our customers. More than 5.5. million people visited the Group website in the reporting year. A Groupwide social media initiative is coordinating the activities of our brand in the social networks, which are becoming more and more important in capital goos and personnel marketing. The yearbook published in parallel with the Annual Report, with its focus on customers and innovative products and processes, also serves as a means of sales support and image building. It appears in eight languages and is available on the internet for downloading.

www.thyssenkrupp.com

We make intensive use of trade shows in Germany and internationally to support existing customers and generate new leads. Bau in Munich, the China Coal & Mining Expo in Beijing and Brazil Windpower in Rio de Janeiro are just some examples; ThyssenKrupp companies took part in several hundred trade shows and exhibitions in 2011/2012. Details on upcoming trade show activities can be found in our trade show calendar on the internet.

SALES BY CUSTOMER GROUP IN %



Brand initiatives

Our marketing initiatives are supported by complementary brand initiatives. In the reporting year we initiated numerous measures to give the corporate brand ThyssenKrupp a greater presence in our operating businesses. Many of our products, processes and components are well-known in their markets under established brand names, e.g. Uhde, Polysius and Rothe Erde. These brands are assets which we treat in a differentiated way and systematize under our brand strategy. Group companies that represent the core of our brand are being switched systematically to names under the corporate brand: Over 90% of these companies already operate under the name ThyssenKrupp. Companies that are being realigned or combined into larger entities as part of the strategic development program will be given names reflecting their focus on important sales sectors or their central core competencies. In this way our businesses worldwide support the ThyssenKrupp brand and in return profit from a sharper positioning and presence of our brand in the areas “Material”, “Mechanical” and “Plant”.

Purchasing

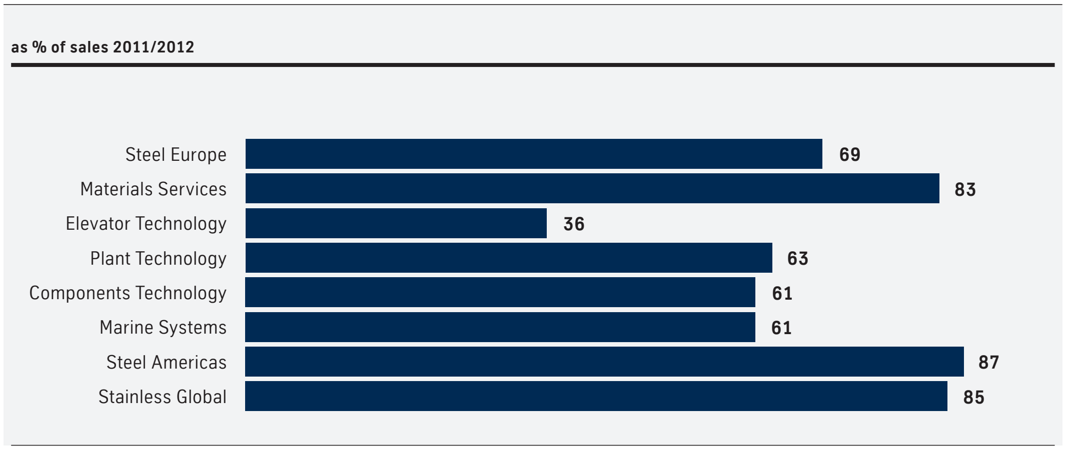
MATERIALS EXPENSE BY BUSINESS AREA IN MILLION €

	2010/2011	2011/2012	Change in %
Steel Europe	8,532	7,542	(12)
Materials Services	11,889	10,919	(8)
Elevator Technology	1,688	2,074	23
Plant Technology	2,344	2,569	10
Components Technology	4,264	4,252	(0)
Marine Systems	735	726	(1)
Corporate	57	63	11
Materials expense of business areas	29,509	28,145	(5)
Consolidation	(2,642)	(2,106)	—
Materials expense of continuing operations	26,867	26,039	(3)
Steel Americas	1,009	1,753	74
Stainless Global	5,587	5,372	(4)
Consolidation	(1,528)	(1,421)	—
Materials expense of Group	31,935	31,743	(1)

* Prior-year figures have been adjusted.

Materials expense decreased year-on-year by 1% to €31.7 billion. At the same time it increased as a percentage of sales from 65% to 67%. In the continuing business areas the percentages ranged between 36% at Elevator Technology and 83% at Materials Services, as shown by the graphic below. Together with the Group companies our global purchasing organization secured the supply of materials to our plants without delivery bottlenecks in the reporting year.

MATERIALS EXPENSE OF BUSINESS AREAS



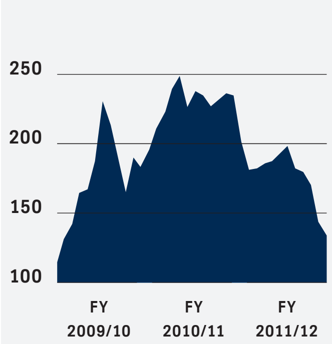
Realizing opportunities in procurement

As part of the corporate program impact we launched the program synergize+ with the aim of reducing materials costs on a long-term basis. As many purchases as possible are to be managed and consolidated centrally in order to realize savings opportunities.

Lower raw material purchases

IRON ORE PRICES
SPOT PRICES, 62% FE, CFR CHINA

in US dollars, indexed, October 2008 = 100



In previous years, demand for iron ore around the world and especially in China had risen substantially. This upward trend flattened from the end of 2011 as steel market activity slowed. In Europe demand actually decreased in 2012. In parallel with this, the global availability of iron ore improved. As a result, spot market prices began falling at the end of 2011. The average spot market price in the reporting year was lower than a year earlier.

ThyssenKrupp purchased 17 million tons of iron ore in the reporting year, roughly 3 million tons less than in the prior year. Brazil remains the most important supplier country, followed by Canada and South Africa.

Average spot prices for coking coal decreased despite high demand up to mid-2012. The supply situation normalized compared with the prior year, when flooding of Australian coal mines resulted in large price increases. Prices for blast furnace coke also decreased in the reporting year.

Fluctuating prices for alloying metals

Weaker global demand coupled with the market entry of several new raw materials producers caused procurement prices for various alloying metals to fall, in some cases significantly, in the reporting year. After a high of 2,075 US dollars per ton in February 2012, zinc prices on the London Metal Exchange fell to 1,814 US dollars in August, well below the psychologically important 2,000 US dollar mark. The average price for the fiscal year was 16% lower than a year earlier. Zinc is mainly used to coat flat carbon steel.

The alloying metals nickel, ferrochrome and ferromolybdenum are important for stainless steel production. The monthly average price of nickel on the London Metal Exchange fluctuated between 15,657 US dollars and 20,465 US dollars per ton in the reporting year; the average price for the year was 17,863 US dollars. For ferrochrome from South Africa the quarterly price reached a peak of 1.35 US dollars per pound (around 0.45 kg), but averaged 1.24 US dollars for the year. Quarterly prices for ferromolybdenum fluctuated between 13.6 US dollars and 15.8 US dollars per pound, resulting in an average price of 14.9 US dollars for the past fiscal year.

Despite the weaker steel markets in the reporting year, global demand for steel scrap remained relatively high, especially for premium grades. While the average market price for new production scrap – i.e. for example waste from steel processing – was €340 per ton in 2010/2011, it fell by only €16 to €324 in 2011/2012. Better export opportunities and lower quantities stabilized the price.

Stable freight rates for sea and land shipments

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Capesize ships are too large for the Suez and Panama canals and therefore have to sail around Cape Horn and the Cape of Good Hope.

Ship charter rates remained very low in view of continuing overcapacity especially for bulk cargoes. Numerous newbuildings ordered in the boom phase before the end of 2008 are now pushing on to the market. This holds particularly for Capesize ships, but increasingly also for smaller Panamax vessels. Carriers therefore tried to lay up ships or scrap tonnage, increasingly including younger vessels.

Road freight rates also remained steady. Here too relatively large capacities exist which are promoting competition. In Germany as in the rest of Europe, long-term price agreements are in force which oppose shortterm price adjustments.

Natural gas: Price guarantees below market price

Spot market prices for natural gas in Germany in 2011/2012 were on average 8% higher than a year earlier – despite a significant improvement in market liquidity and a de facto decoupling from oil prices. However, ThyssenKrupp profited from favorable price guarantees for its German plants. Fixed prices will also guarantee us attractive terms for the following fiscal year.

Despite the debt crisis, German and international gas prices are at a high level compared with prior years. The only exception is the USA, where the downward trend continues unabated – driven by increased production of natural gas from shale. However, the regional oversupply caused by this has not dampened prices on the world market due to a lack of technical facilities to export gas from the USA. Also, demand for natural gas in Japan has risen sharply due to the shutting down of nuclear power plants. However, the long-term supply outlook for the European market is good.

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Electricity costs decreased from the prior year in 2011/2012.

Lower electricity costs

We purchased a significant portion of our electricity needs on the spot market in the reporting year; due to the low spot market prices, costs decreased compared with 2010/2011. On the forward market electricity prices fell back to pre-nuclear phase-out levels and at times even lower. ThyssenKrupp took advantage of this weak market phase to secure electricity quantities at this price level for longer-term needs.

Electricity costs in Germany are still at the top end of the European scale. This is due to politically imposed burdens such as the renewable energy surcharge, increased electricity taxes, subsidies for cogeneration and rising network charges.

Emissions trading

Under applicable law ThyssenKrupp received emission allowances for 21.6 million tons of CO_2 in 2011. However due to the relining of blast furnace 9, actual emissions were only 18.7 million tons, so the allocated emission allowances were enough. The emssion allowances not required in 2011 are to be used in the third trading period of the EU Emissions Trading System (2013 – 2020). We have already bought EU emission allowances to hedge ourselves for this third trading period.

Results of operations of the business areas

The Group's operations are organized in business areas. Our capital goods businesses gave a robust performance in a difficult market environment in 2011/2012. However, the steel business in Europe and the international materials distribution activities were impacted by the economic slowdown. Our success in positioning ourselves as a premium supplier has paid dividends. All continuing operations generated positive adjusted EBIT.

Steel Europe

STEEL EUROPE IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake	million €	12,344	10,455	(15)
Sales	million €	12,814	10,992	(14)
EBIT	million €	1,133	188	(83)
EBIT margin	%	8.8	1.7	—
Adjusted EBIT	million €	1,133	247	(78)
Adjusted EBIT margin	%	8.8	2.2	—
Employees (September 30)		28,843	27,761	(4)

The Steel Europe business area combines the Group's flat carbon steel activities, mainly in the European market. Its high-quality flat products are supplied to customers in the auto industry and other steel-using sectors. The range also includes products for attractive specialist markets such as the packaging industry.

Orders and sales lower

The market weakness persisting throughout much of the reporting year weighed on the business area's performance. While the 1st half of the reporting year was still characterized by quite solid demand due to market activity and restocking, from the spring the economic slowdown led to very cautious purchasing behavior on the part of customers. Order volumes were 8% lower year-on-year at 11.5 million tons. The value of new orders fell by 15% to €10.5 billion. However, this decline was also due in large part to the disposal of the Metal Forming business, which was still included in the prior-year figures.

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Sales to the auto industry were down from the high prior-year level.

Steel Europe's sales decreased by 14% to €11.0 billion. Apart from the disposal of Metal Forming, this was due to an 8% drop in shipments to 12.0 million tons. Selling prices per ton weakened after the 1st fiscal quarter, but on average were still slightly higher than a year earlier. Sales to customers in the automotive industry fell short of the high prior-year level due to lower volumes. Average selling prices were slightly higher year-on-year on account of a higher-value product portfolio; however for new contracts slightly lower prices had to be accepted in line with raw material prices. Business with our other industrial customers and steel service centers was also for the most part weaker than the year before, with selling prices softening slightly. Sales of electrical steel, medium-wide strip and heavy plate decreased for volume and primarily price reasons. Business with tinplate was stable, while sales of tailored blanks improved on the back of higher selling prices.

Crude steel production in 2011/2012 came to 11.9 million tons.

Weaker capacity utilization

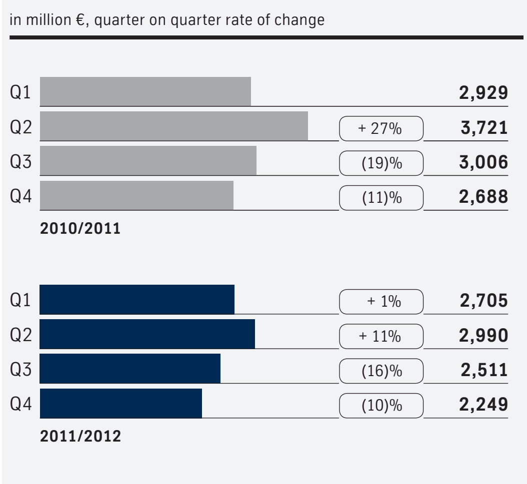
Crude steel production including supplies from Hüttenwerke Krupp Mannesmann decreased by 10% to 11.9 million tons in the reporting year. Steel Europe's own production was supplemented to a small degree by slabs from the plant in Brazil. Including contract rolling, rolled steel production for customers decreased by 10% to 12.6 million tons.

To take into account the fall in demand in the course of the year, blast furnace 9 was shut down at the beginning of 2012. Later in the year operating levels also had to be adjusted in the downstream rolling and coating operations. From August short-time working had to be introduced at some locations and plants, in particular in the cold-rolling and coating operations.

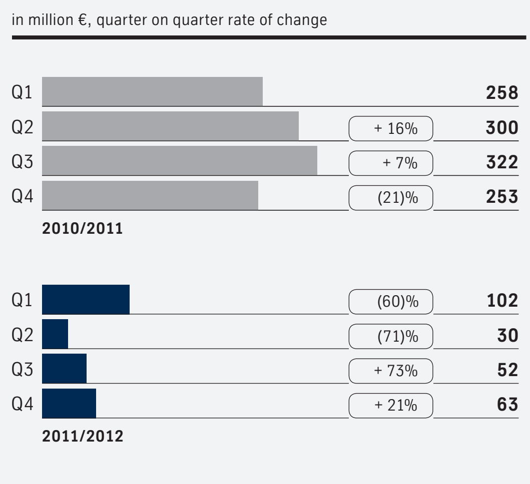
Profit down sharply

Steel Europe reported a sharp drop in earnings in 2011/2012. Earnings before interest and taxes (EBIT) fell from €1,133 million the year before to €188 million. EBIT margin slipped from 8.8% to 1.7%. Adjusted EBIT dropped from €1,133 million in the prior year to €247 million; adjusted EBIT margin was down from 8.8% to 2.2%. Cyclical sales volume reductions, associated lower capacity utilization, high price pressure and increased expense for input materials were the main reasons. The corporate program impact made a significant contribution to reducing costs but could only partly offset the negative market effects.

STEEL EUROPE ORDER INTAKE



STEEL EUROPE ADJUSTED EBIT



Materials Services

MATERIALS SERVICES IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake	million €	14,768	13,146	(11)
Sales	million €	14,776	13,165	(11)
EBIT	million €	478	127	(73)
EBIT margin	%	3.2	1.0	—
Adjusted EBIT	million €	533	311	(42)
Adjusted EBIT margin	%	3.6	2.4	—
Employees (September 30)		36,568	27,595	(25)

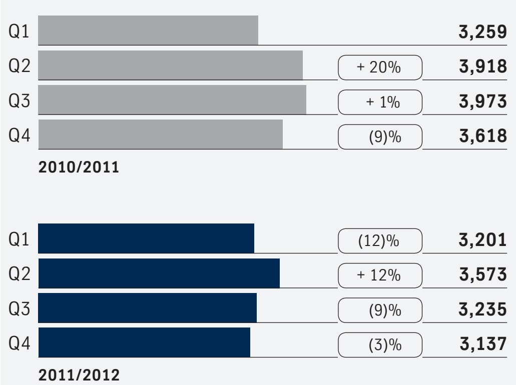
With over 500 locations in 34 countries the Materials Services business area specializes in materials distribution including technical services.

Sales volumes mainly steady – prices and margins unsatisfactory

Materials Services received orders worth €13.1 billion in fiscal 2011/2012, down 11% from the prior year. Sales were likewise 11% lower at €13.2 billion. Excluding the Xervon group divested in the 1st quarter, the decrease in sales amounted to 7%.

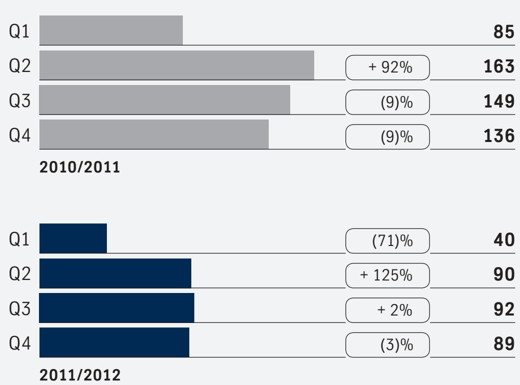
MATERIALS SERVICES ORDER INTAKE

in million €, quarter on quarter rate of change



MATERIALS SERVICES ADJUSTED EBIT

in million €, quarter on quarter rate of change



On account of the general economic uncertainty caused by the debt crisis, the main customer industries placed orders increasingly cautiously and continued to run down their inventories. This was the case not only in Southern Europe but in the whole European region – with few exceptions. Despite this, sales of carbon steel, stainless steel, tubes and nonferrous metals in the warehousing business were almost level year-on-year at 5.5 million tons as against 5.6 million tons. In North America we even achieved encouraging growth in parts. Overall we further strengthened our market position. The decline in prices and margins registered since mid-2011 continued with only brief interruptions. In addition to the warehousing business this also affected the international direct-to-customer and project business, especially in Europe. Plastics sales mirrored the subdued performance of metals. This was true not only of the Southern European market but also of demand in Germany and most other Western European countries. Our materials and logistics operations for the aerospace sector continued to perform positively with a significant increase in sales.

Sales of metallurgical raw materials were impacted above all by production cutbacks in the steel industry. The decline was particularly evident in coal and coke trading. Our steel mill services gave a very positive performance overall; this applies in particular to the operations in South America.

Adjusted EBIT satisfactory in weak market

Throughout the business area various cost-reduction and efficiency programs were introduced or stepped up at an early stage; nevertheless, EBIT dropped by €351 million to €127 million in 2011/2012.

The reduction in EBIT was due primarily to high price pressure and intense competition in the materials business, but also to massive volume and sales losses in raw materials distribution. In addition, earnings were impacted by numerous special items. In addition to a €103 million fine imposed by the Federal Cartel Office and provisions of €30 million in connection with the rail cartel proceedings, these also included impairment charges on our shareholding in a coke plant in China. Adjusted EBIT came to a satisfactory €311 million; adjusted EBIT margin fell from 3.6% to 2.4%.

Elevator Technology

ELEVATOR TECHNOLOGY IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake	million €	5,281	6,149	16
Sales	million €	5,253	5,705	9
EBIT	million €	801	387	(52)
EBIT margin	%	15.2	6.8	—
Adjusted EBIT	million €	641	587	(8)
Adjusted EBIT margin	%	12.2	10.3	—
Employees (September 30)		46,243	47,561	3

The Elevator Technology business area supplies passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as service for the entire product range. Over 900 locations worldwide form a tight-knit sales and service network that keeps us close to customers.

Elevator increased its order intake in 2011/2012 by 16%.

Orders and sales at record high

Elevator Technology continued its successful performance in 2011/2012 – with order intake for the first time exceeding €6 billion. The business area achieved order intake of €6.1 billion, an increase of 16%. Sales mirrored orders, climbing 9% to €5.7 billion.

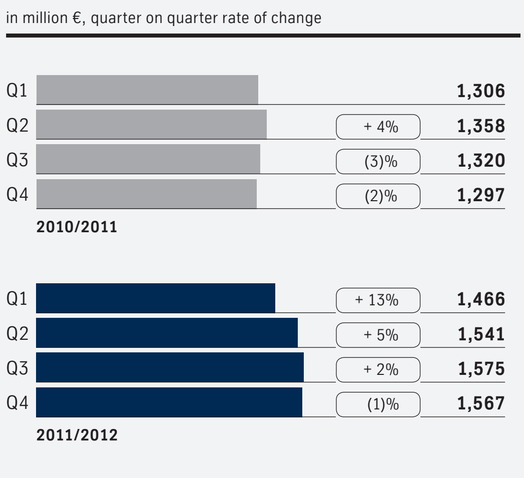
The Stuttgart production site will be turned into a technology park.

The main driver was business in Asia. Elevator Technology grew significantly faster than the market and in China for example registered a year-on-year increase in orders of more than 50%. In India, too, orders were up by over 20%. In both countries new plants are currently being built to better serve local requirements and support long-term growth. The new installations business in Southern Europe, particularly Spain, remained weak; nevertheless business in Europe as a whole improved. Against this background it was decided to expand the production site in Stuttgart into a technology park. We substantially increased business in North and South America. Our global service business grew thanks to innovative services; at the same time the number of service contracts rose sharply.

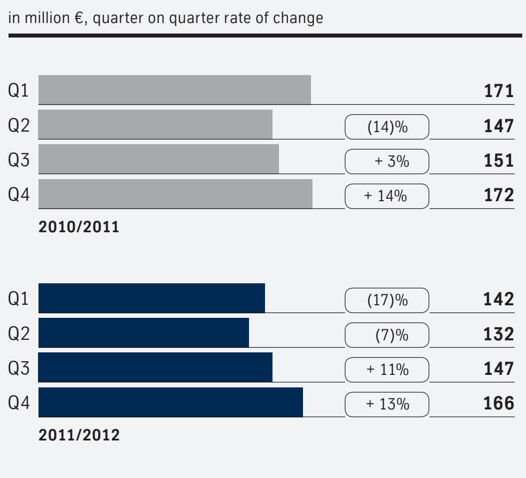
Adjusted EBIT €587 million

Elevator Technology achieved EBIT of €387 million in the 2011/2012 fiscal year compared with €801 million a year earlier. The prior-year figure included special items of €160 million because a fine imposed by the EU Commission in 2007 for antitrust infringements was partially refunded. Adjusted for special items – in 2011/2012 mainly nonrecurring expenses for the site closures on the US home elevator market and restructuring measures – earnings came to €587 million, compared with €641 million in the prior year. Adjusted EBIT margin was 10.3%, down from 12.2%. Earnings and margin performance were impacted by continued difficult market conditions in Southern Europe. Other factors were raw material cost increases and the strong growth in the lower-margin new installations business, particularly in Asia.

ELEVATOR TECHNOLOGY ORDER INTAKE



ELEVATOR TECHNOLOGY ADJUSTED EBIT



Plant Technology

PLANT TECHNOLOGY IN FIGURES

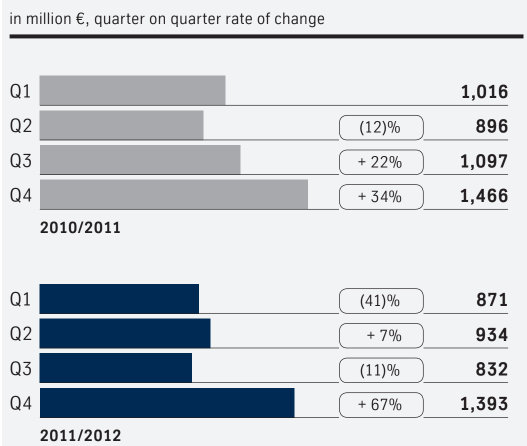
		2010/2011	2011/2012	Change in %
Order intake	million €	4,475	4,030	(10)
Sales	million €	4,004	4,070	2
EBIT	million €	506	520	3
EBIT margin	%	12.6	12.8	—
Adjusted EBIT	million €	506	520	3
Adjusted EBIT margin	%	12.6	12.8	—
Employees (September 30)		13,478	14,339	6

The Plant Technology business area is a leading international provider of specialized engineering and construction services with strong innovative capabilities. The product portfolio includes chemical plants and refineries, equipment for the cement industry, innovative solutions for the mining and extraction of raw materials, and production systems for the auto industry. Our equipment and processes open up new possibilities for environmental protection and sustainability.

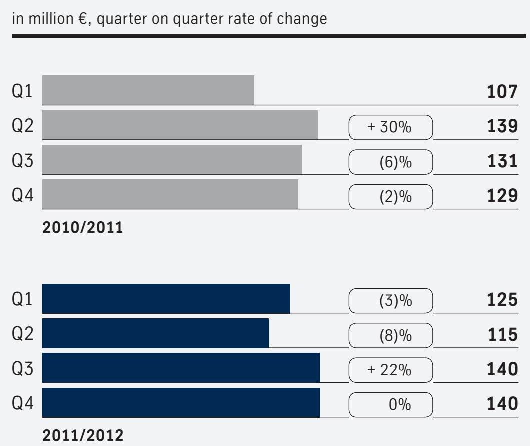
Sales slightly higher

Plant Technology's order intake amounted to €4.0 billion in 2011/2012, compared with €4.5 billion the year before. However, higher demand was registered in the mining business and in production systems and assembly lines for the automotive industry. New project orders included crusher and conveyor systems for customers in Brazil and Kazakhstan. In addition, orders in particular from customers in Peru, Chile and China made a positive contribution to the performance of the cement, minerals and mining business. In chemical plant construction some projects were delayed as a result of continued uncertainties in North Africa and the Middle East. However, a major order was received from a Vietnamese customer. The chemical plant market in North America performed positively, with the low price of gas increasing the volume of inquiries among other things for fertilizer plants.

PLANT TECHNOLOGY ORDER INTAKE



PLANT TECHNOLOGY ADJUSTED EBIT



Plant Technology operates globally. New orders were distributed among the regions of America with 34%, Europe with 31%, Asia/Pacific with 29%, and Africa with 6%.

Sales in the reporting year came to €4.1 billion, up 2%. All units had good utilization rates, in many cases operating at their capacity limits.

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Orders in hand at Plant Technology stood at around €6.6 billion on September 30, 2012.

Orders in hand of €6.6 billion at September 30, 2012, mainly for longer-term project business, continue to secure both sales and capacity utilization for a period considerably in excess of one year.

Earnings further improved

With EBIT of €520 million, Plant Technology again exceeded its high prior-year earnings; EBIT margin at 12.8% was up slightly from the good year-earlier level of 12.6%. Since there were no special items, adjusted EBIT and adjusted EBIT margin were the same.

Components Technology

COMPONENTS TECHNOLOGY IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake	million €	6,921	6,933	0
Sales	million €	6,908	7,011	1
EBIT	million €	543	681	25
EBIT margin	%	7.9	9.7	—
Adjusted EBIT	million €	503	453	(10)
Adjusted EBIT margin	%	7.3	6.5	—
Employees (September 30)		31,270	28,011	(10)

The Components Technology business area supplies a range of high-tech components for wind turbines, construction equipment and general engineering. In the auto sector activities are focused on crankshafts, camshafts, steering systems, dampers, springs and the assembly of axle modules.

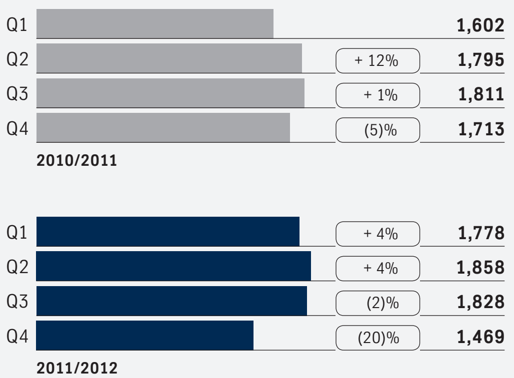
Order intake and sales slightly higher despite disposals

Components Technology continued its successful performance in the past fiscal year. Despite the sale of the US foundry Waupaca and a Brazilian chassis component manufacturer, order intake was level with the prior year at €6.9 billion. Growth was achieved in particular with components for cars and trucks. Added to this were positive exchange-rate effects mainly from the US dollar and Swiss franc. The US automotive business continued to show a very positive performance. However, in Brazil demand for trucks has been weaker since the beginning of the year. Despite a decline in the European vehicle market overall, Components Technology profited from the growth of individual major customers and brisk demand in the mid-size and premium segments. In China the wind energy and construction machinery business slowed significantly particularly in the second half of the fiscal year.

In line with order intake, sales were slightly higher year-on-year at €7.0 billion.

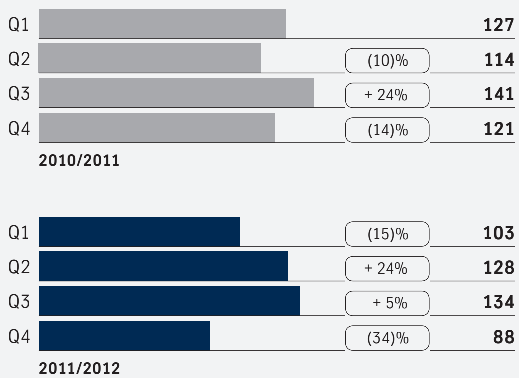
COMPONENTS TECHNOLOGY ORDER INTAKE

in million €, quarter on quarter rate of change



COMPONENTS TECHNOLOGY ADJUSTED EBIT

in million €, quarter on quarter rate of change



Positive special items increased EBIT of Components Technology.

Rise in profit, portfolio optimized

Components Technology achieved a significant increase in EBIT from €543 million to €681 million in the reporting year. This figure includes positive special items of €363 million, mainly relating to the sale of the US foundry and the Brazilian chassis component manufacturer. Both disposals are part of the strategic development of the Group. This was partly offset by impairment charges in connection with the sale of the Italian company Berco.

Adjusted EBIT was down from €503 million in the prior year to €453 million. The main reasons were weaker demand in the wind energy and infrastructure sectors in China and startup costs for new products and plants in China and India. Adjusted EBIT margin was 6.5%, down from 7.3% a year earlier.

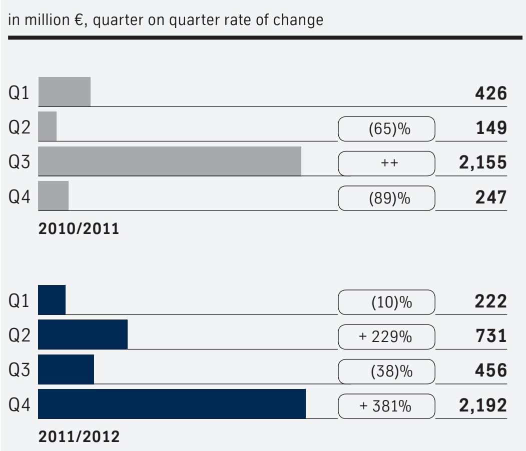
Marine Systems

MARINE SYSTEMS IN FIGURES

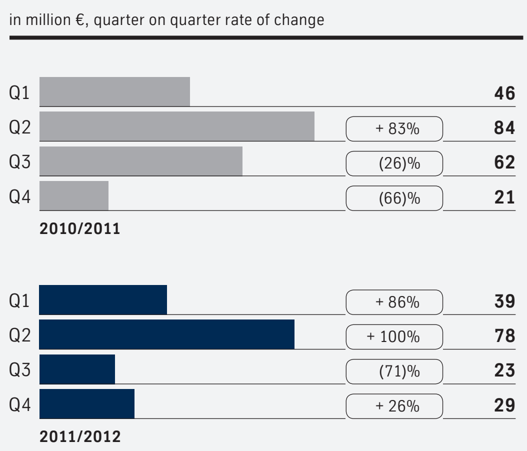
		2010/2011	2011/2012	Change in %
Order intake	million €	2,977	3,601	21
Sales	million €	1,493	1,187	(20)
EBIT	million €	213	(14)	--
EBIT margin	%	14.3	(1.2)	—
Adjusted EBIT	million €	213	169	(21)
Adjusted EBIT margin	%	14.3	14.2	—
Employees (September 30)		5,295	3,772	(29)

After successful strategic reorganization, the Marine Systems business area is focused exclusively on naval shipbuilding. The business area’s core activities include the development, construction and refit of submarines and naval surface vessels as well as extensive associated services.

MARINE SYSTEMS ORDER INTAKE



MARINE SYSTEMS ADJUSTED EBIT



Strong rise in order intake

The market environment in naval shipbuilding is characterized by the need to protect international sea routes and sovereign territory. This led to higher demand for frigates and submarines in countries outside Europe. As a result order intake at Marine Systems climbed 21% to €3.6 billion in 2011/2012 and includes mainly export orders for three submarines and two frigates.

Sales came to €1.2 billion, down from €1.5 billion in the prior year. However, in the year-on-year comparison it should be noted that from February 2012 the civil shipbuilding activities are no longer included.

Orders in hand increased further in the reporting year, reaching a record level of €9.0 billion at September 30, 2012. The order backlog is therefore ten years; sales are highly secure for the next three fiscal years.

Marine Systems‘ adjusted EBIT came to €169 million.

Good earnings level maintained

Marine Systems’ EBIT was €(14) million, down from €213 million a year earlier. Earnings in the reporting period were impacted by special items of €183 million, relating to impairment charges in particular on goodwill in connection with the sale of the civil shipbuilding operations. Adjusted EBIT remained at a good level of €169 million, and adjusted EBIT margin was 14.2%, compared with 14.3% the year before.

Corporate at ThyssenKrupp AG

Corporate comprises the Group’s head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources, as well as non-operating real estate and inactive companies. Sales of services by Corporate companies to Group companies in the reporting year came to €158 million, up from €143 million a year earlier.

Earnings before interest and taxes amounted to €(495) million, a deterioration of €118 million from the year before. The deterioration was mainly the result of increased administrative costs, in particular consultancy and special advertising expenses, and the valuation of mining provisions. Adjusted EBIT came to €(487) million, compared with €(356) million the year before.

Steel Americas (discontinued operation)

STEEL AMERICAS IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake*	million €	1,293	2,081	61
Sales*	million €	1,139	2,014	77
EBIT	million €	(3,145)	(4,747)	(51)
EBIT margin	%	—	—	—
Adjusted EBIT	million €	(1,071)	(1,010)	6
Adjusted EBIT margin	%	—	—	—
Employees (September 30)		4,060	3,992	(2)

* including internal orders/sales within the Group

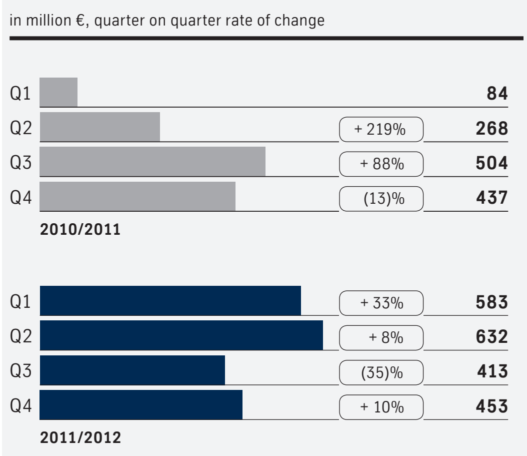
With its steelmaking and processing plants in Brazil and the USA Steel Americas is tapping into the North American market for premium flat steel products. As part of the strategic development program, ThyssenKrupp is to dispose of these plants. At September 30, 2012 Steel Americas met the requirements for classification as a discontinued operation under IFRS.

Over 2.6 million tons of flat steel were sold in North America in 2011/2012.

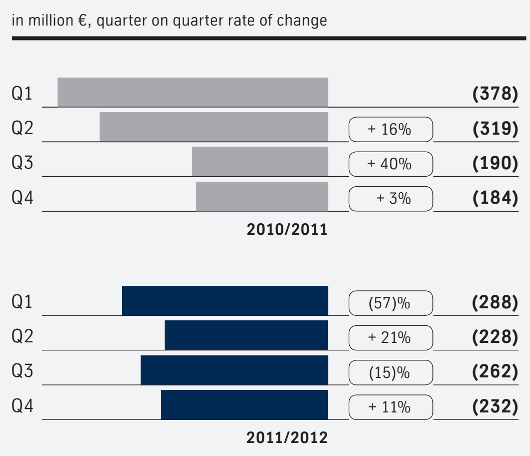
Sales growth in the NAFTA market

In a difficult business environment, Steel Americas made progress in developing its customer and product mix in the reporting year. We won more new customers in the pipe, agricultural and construction machinery sectors, and particularly in the automotive and tube industries successfully drove forward the customer certification process. Order intake increased to €2.1 billion, sales to €2.0 billion. Altogether we sold over 2.6 million tons of flat steel on the North American market.

STEEL AMERICAS ORDER INTAKE



STEEL AMERICAS ADJUSTED EBIT



Technical ramp-up in Brazil completed

The integrated iron and steel mill in Brazil produced 3.4 million tons of slabs in the reporting year. Of this, 2.8 million tons went to the steel processing plant in the USA and 0.7 million tons to Steel Europe. The first slabs – a volume of 24,000 tons – were also sold on the Brazilian market. With coke oven battery C, the Brazilian site's final central unit was commissioned in March 2012. As a result, the technical ramp-up was completed before the end of the reporting year and the optimization phase was begun. The final hot-dip galvanizing line at ThyssenKrupp Steel USA is expected to start operation in mid-2013.

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The fair value adjustment at Steel Americas came to €3.6 billion.

Impairment charges weigh on EBIT

After a fair value adjustment of €3.6 billion, Steel Americas' EBIT came to €(4,747) million, compared with €(3,145) million a year earlier. The impairment charges made necessary by the intention to sell were determined based on fair value less costs to sell. Non-binding offers have been received for each plant separately and both together. These are being actively pursued by the shortlisted bidders and ThyssenKrupp. The valuation also includes internal calculations, made in part with support from auditors and management consultants, which take into account all knowledge available to ThyssenKrupp from the ongoing sale process and overall represent a best possible estimate.

Adjusted EBIT came to €(1,010) million, compared with €(1,071) million a year earlier. The main reason for the negative earnings was the difficult business environment on the North American market with an unsatisfactory price level above all in service center business, which is particularly important for the startup. Earnings were also weighed down by the considerable costs from high consumption of reducing agents due to the not yet efficient utilization of the blast furnaces and unscheduled shutdowns.

Stainless Global (discontinued operation)

STAINLESS GLOBAL IN FIGURES

		2010/2011	2011/2012	Change in %
Order intake*	million €	6,045	5,611	(7)
Sales*	million €	6,739	6,346	(6)
EBIT	million €	(785)	(626)	20
EBIT margin	%	(11.6)	(9.9)	—
Adjusted EBIT	million €	15	(80)	--
Adjusted EBIT margin	%	0.2	(1.3)	—
Employees (September 30)		11,490	11,846	3

* including internal orders/sales within the Group

Reported as a discontinued operation since September 30, 2011, Stainless Global produces premium stainless steel flat products and high-performance materials such as nickel alloys, titanium and zirconium – for example for fuel cells.

Order intake and sales lower

Stainless Global was operating in a continued difficult market environment in the reporting year. Overcapacities and increased imports from Asia led to strong price pressure. Also, due to the lower prices for key raw materials such as nickel, alloy surcharges slipped. Against this background the value of new orders fell by 7% to €5.6 billion, although volumes increased by 3% to 2.0 million tons. While volumes increased in the stainless steel flat products business, demand for high-performance materials fell slightly. 2.3 million tons of stainless steel flat products and 42,600 tons of high-performance materials were produced. Prices for high-performance materials are many times higher than those for stainless products.

Total shipments at Stainless Global reached 2.1 million tons in the reporting year.

Total shipments were 4% higher year-on-year at 2.1 million tons. The rise was mainly due to the ramp-up of the new stainless steel mill in the USA. Despite this, total sales decreased by 6% to €6.3 billion due to the generally lower price level and reduced alloy surcharges in the stainless steel flat products area.

EBIT down from prior year

Following a further fair value adjustment of €400 million in the reporting year, restructuring provisions of €64 million and impairment charges of €50 million, Stainless Global reported EBIT of €(626) million, compared with €(785) million a year earlier. EBIT margin improved from (11.6)% to (9.9)%. The negative margin reflects among other things the difficult market environment for stainless flat products and the associated price pressure. The reduced nickel price and the start-up of the new stainless steel mill in the USA also had a negative effect. However, the high-performance alloys business profited from the continued stable market situation for nickel alloys. The classification as a discontinued operation resulted in the absence of depreciation expenses of €192 million in the reporting year, with a positive effect on earnings.

The impairment charges relate chiefly to the Krefeld location. The write-down to fair value made necessary by the intention to sell takes into account in particular the valuation discounts applied to stainless steel producers due to the structural problems in the stainless steel market. The discounts also reflect the current sovereign debt crisis and high risk aversion of investors. In the current environment stainless steel companies are valued inconsistently and with relatively high risk discounts. We determined the fair value on the basis of internal calculations and estimates of market participants, and our valuation lies in the middle of the range. The offsetting effect produced by the absence of depreciation of non-current assets is due to the reclassification as a discontinued operation.

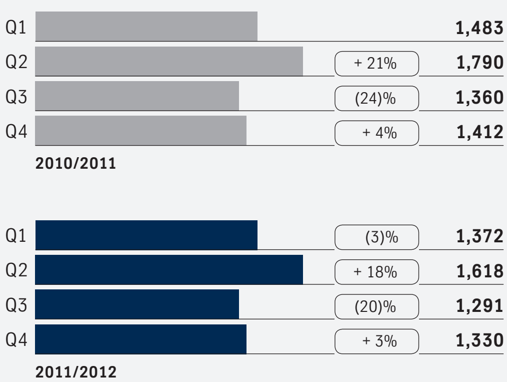
Stainless Global posted adjusted EBIT of €(80) million, down from €15 million the year before; adjusted EBIT margin decreased from 0.2% to (1.3)%. The fall in earnings was due mainly to ramp-up costs for the new plant in the USA; excluding this plant adjusted EBIT came to €80 million, compared with €112 million a year earlier.

Stainless steel mill in the USA

At the US site in Calvert construction work and the ramp-up of already commissioned equipment is continuing as planned. The ramp-up of the hot-rolled annealing and pickling line in the cold-rolling mill is almost complete. Construction work on the 1 million ton per year capacity melt shop is also proceeding on schedule; the start of production is scheduled for December 2012. Until the melt shop is ramped up the location will continue to be supplied with hot band and slabs from the European mills.

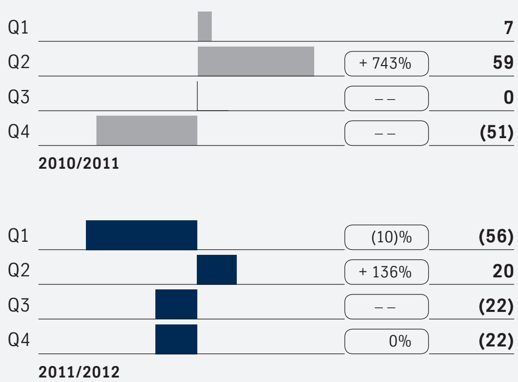
STAINLESS GLOBAL ORDER INTAKE

in million €, quarter on quarter rate of change



STAINLESS GLOBAL ADJUSTED EBIT

in million €, quarter on quarter rate of change



Financial position

Greater investment in the continuing operations, decreasing net financial debt over the course of the year, and earnings from operating business characterize our cash flow in fiscal 2011/2012. The financing and liquidity of the Group are also secured for fiscal 2012/2013.

Capital expenditures

Capital expenditures at €2.2 billion

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In the reporting year, ThyssenKrupp invested a total of €2,204 million, 20% less than in the prior year. €2,107 million was spent on property, plant and equipment and intangible assets. €97 million was used for the acquisition of businesses, shareholdings and other financial assets. The main acquisitions are presented in the section “The Group’s strategic way forward”.

INVESTMENT BY BUSINESS AREA IN MILLION €*

	2010/2011	2011/2012	Change in %
Steel Europe	431	505	17
Materials Services	136	91	(33)
Elevator Technology	135	178	32
Plant Technology	47	60	28
Components Technology	361	420	16
Marine Systems	14	28	100
Corporate/Consolidation	12	3	—
Investments of continuing operations	1,136	1,285	13
Steel Americas	1,369	515	(62)
Stainless Global	266	404	52
ThyssenKrupp Group	2,771	2,204	(20)

*incl. cash and cash equivalents acquired

Expenditure for property, plant and equipment and intangible assets was €659 million higher than depreciation of €1,448 million. In the prior year, capital expenditures amounted to €2,661 million and depreciation to €1,675 million. Excluding the major projects in Brazil and the USA, capital expenditures totaled €1,382 million, compared with €1,247 million a year earlier.

Capital expenditures in the continuing business areas

Expenditure for property, plant and equipment and intangible assets in the continuing business areas increased by 15% to €1,181 million in 2011/2012. The biggest portion at €625 million was invested in the capital goods activities. €556 million was invested in the materials activities.

Steel Europe – The business area's capital expenditures on property, plant and equipment and intangible assets reached €465 million in the reporting year, with depreciation at €478 million, and were therefore higher than a year earlier. One key area was the completion of the maintenance and environmental projects launched in the preceding years at the Duisburg and Dortmund sites. Significant funds were also spent on hot strip mill 3 in Bochum. In Duisburg, blast furnace 9 was relined and modernization work started on hot strip mills 1 and 2. Other investments related to preparing the relining of blast furnace 2 and the extension of our coal terminal in the port of Rotterdam initiated in the prior year. In BOF meltshop 2 in Duisburg, work commenced on modernizing a continuous caster. The total approved volume for this project up to and including 2014/2015 is €90 million.

Materials Services – Capital expenditures for property, plant and equipment and intangible assets amounted to €91 million at Materials Services, while depreciation came to €95 million. The investments served to maintain existing operations; in addition, a fabrication shop including cut-to-length line was built in Krefeld and a new central warehouse in Warsaw.

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Elevator Technology increased capacities in China and India.

Elevator Technology – The business area spent €136 million on property, plant and equipment and intangible assets; depreciation was €81 million. In addition to investment in efficiency improvements, Elevator Technology stepped up its extensive growth strategy by increasing capacities in China and India and started work on expanding the Neuhausen site into a state-of-the-art technology park.

Plant Technology – Capital expenditures of €50 million for property, plant and equipment and intangible assets mainly went towards expanding the business area's technology portfolio and strengthening its regional market positions. Construction started on two further service centers in South America to expand our service network; in addition, a test and demonstration facility for biochemicals was built in Leuna. Depreciation amounted to €38 million.

Components Technology – Components Technology spent €420 million on property, plant and equipment and intangible assets, with depreciation at €297 million. The investments were used to increase production capacities as well as to build and expand new locations in the growth markets of China and India, but also in Europe, the USA and Brazil. Capacities at all camshaft plants needed to be increased to handle the large number of new orders. One focus was on production lines for cover modules. Work started in the reporting year on the construction of an integrated plant for steering systems and dampers in Shanghai which will serve the Chinese market. Investments were made at our German plant in Mandern to meet an order for monotube shock absorbers for an important European OEM. Further expenditure related to the construction of a just-in-sequence axle assembly line for a German customer in Hungary. Other projects served to secure the high quality and technology of our slewing ring operations.

Marine Systems – Spending at Marine Systems amounted to €19 million and was mainly replacement capital expenditure. Depreciation was slightly higher at €22 million.

Capital expenditures in the discontinued operations

Steel Americas – The discontinued business area Steel Americas spent €515 million on property, plant and equipment and intangible assets in the reporting year, with depreciation at €404 million. At the Brazilian steel mill we completed coke battery C, carried out remaining work from the project phase, and implemented environmental measures. The focus in the USA was on final investments in all major production units and infrastructure. The third walking beam furnace was completed on the hot strip mill of our rolling mill at the US site.

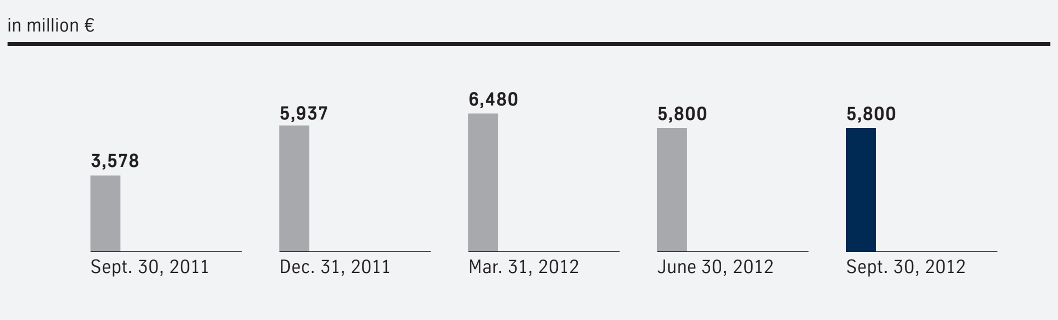
Stainless Global – The discontinued business area invested €411 million in property, plant and equipment and immaterial assets in the reporting year; due to its classification as a discontinued operation, depreciation of €192 million was incurred. The biggest single investment of €308 million related to the further construction of the new production site in Calvert, USA; building work and the ramp-up of the equipment already put into operation are progressing to plan. Further investments were made to expand or consolidate product areas, implement fire protection strategies, maintain operations, and modernize equipment.

Net financial debt

Net financial debt at the end of the reporting year stood at €5.8 billion.

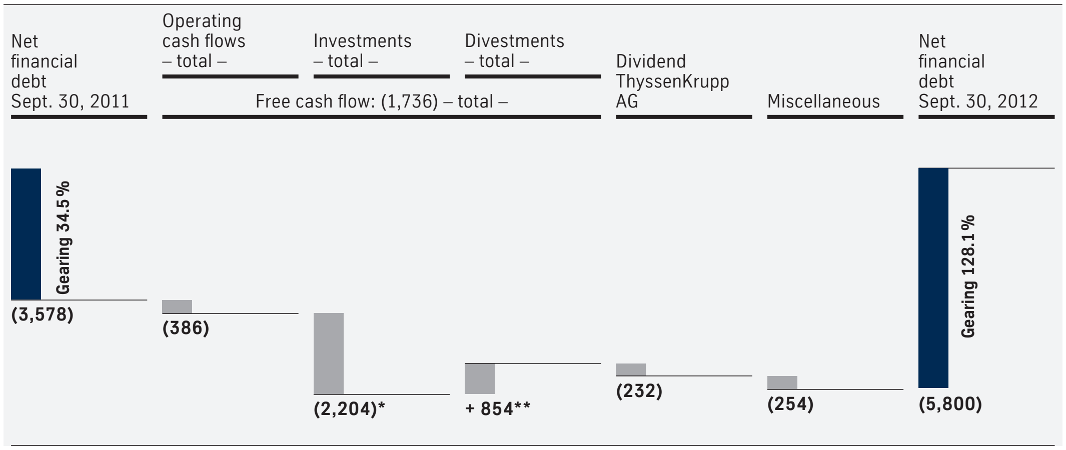
The movements in our net financial debt also reflect our capital expenditures. In our capital goods activities in particular, the acquisition of property, plant and equipment as well as businesses and shareholdings resulted in capital requirements. Spending on research and development was also higher. These were important elements in the Group's strategic development program. Despite this, following a high in the 2nd quarter 2011/2012 we managed to reduce our net financial debt distinctly. At September 30, 2012 our net financial debt stood at €5,800 million; that was €2,222 million higher than a year earlier but €680 million lower than on March 31, 2012. The situation over the course of the year is shown in the graphic below.

PROGRESSION OF NET FINANCIAL DEBT 2011/2012



There was a cash inflow of €854 million from divestments – mainly the sale of the Xervon group, the Brazilian automotive operations and the US foundry Waupaca – which was offset by investments in the Group of €2,204 million. Operating cash flows came to €(386) million. The impact of individual factors on our net financial debt in the reporting year is shown in the following graphic.

NET FINANCIAL DEBT IN MILLION €



* incl. cash and cash equivalents acquired
** incl. cash and cash equivalents disposed of

For technical reasons in part not to scale

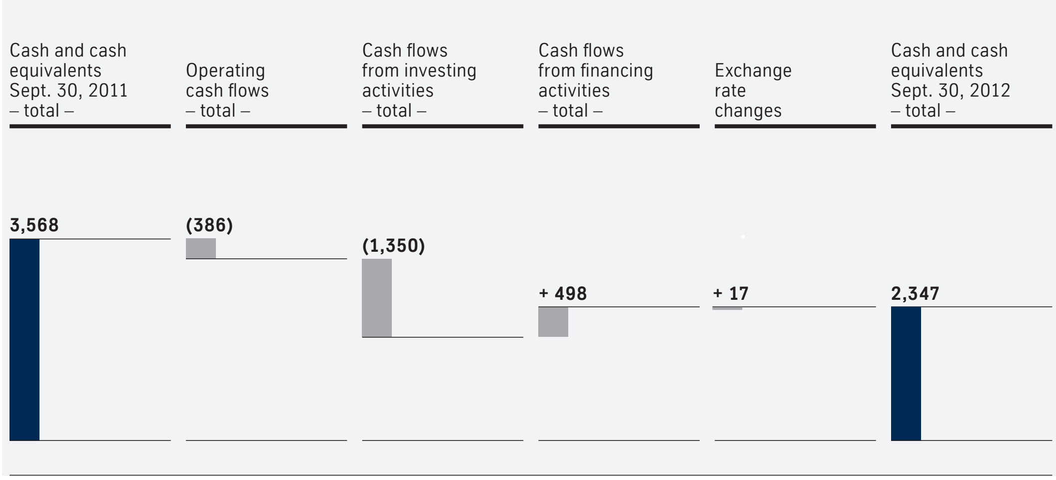
Analysis of the statement of cash flows

The overall amounts taken into account in the statement of cash flows correspond to the item "Cash and cash equivalents" as reported in the statement of financial position. They include the cash and cash equivalents of the disposal groups including the discontinued operations. For the reporting period and the prior year, the discontinued operations comprise the activities of Steel Americas and Stainless Global.

In fiscal year 2011/2012 there was a net cash outflow from operating activities of €386 million, compared with a cash inflow of €776 million in the prior year. Cash inflow from the continuing operations decreased by €2,193 million to €68 million. This was mainly due to the €1,982 million decrease in net income before impairment losses/reversals and before deferred taxes. This was partly offset by proceeds of €168 million due to a change to the insolvency protection of partial retirement obligations in the 3rd quarter 2011/2012. In the discontinued operations, operating cash flow improved by €1,031 million to €(454) million, mainly due to reductions in inventories.

Cash outflow from investing activities decreased year-on-year by €997 million to €1,350 million. The continuing operations reported a €360 million decrease. The main reason for this was the €520 million higher proceeds from the disposal of previously consolidated companies – mainly the Xervon group, the Brazilian Automotive Systems activities and the US foundry Waupaca. In the discontinued operations cash outflow from investing activities decreased by €637 million, mainly due to lower capital expenditure for property, plant and equipment at Steel Americas.

CHANGE IN CASH AND CASH EQUIVALENTS IN MILLION €



For technical reasons in part not to scale

The Group's free cash flow came to €(1.7) billion.

Free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, was negative in both the continuing operations and the discontinued operations. The continuing operations recorded a €1,833 million deterioration from the prior year to €(365) million, mainly as a result of the sharp drop in cash inflow from operating activities. In the discontinued operations, negative free cash flow was more than halved to €(1,371) million due to lower cash outflow from operating and investing activities. Overall, free cash flow came to €(1,736) million.

Cash outflow from financing activities in the continuing operations came to €758 million, €743 million lower than in the prior year. The change related partly to borrowings of €1,115 million in the reporting year, compared with repayments of €445 million in the prior year. There was also a €1,157 million reduction in cash outflow in connection with the financing of discontinued operations in the reporting year. This was largely offset by the €1,631 million proceeds from the sale of treasury shares reported in the prior year. There was also a cash outflow from other financing activities of €102 million, compared with a €185 million cash inflow in the prior year. The cash outflow of €287 million resulting from the change was mainly due to the reduction in liabilities to associated companies. Cash inflow from financing activities of discontinued operations decreased by €1,772 million; both in the reporting year and the prior year, the financing activities mainly related to the inclusion of Steel Americas and Stainless Global in the Group financing system. Overall cash inflow from financing activities decreased by €1,029 million to €498 million.

Central financing and maintenance of liquidity

The financing of the Group is managed centrally by ThyssenKrupp AG. It is based on a multi-year financial planning system and a monthly rolling liquidity planning system covering a planning period of up to one year. The cash inflows from our operating activities are our main source of liquidity. Our cash management systems allow Group companies to use surplus funds from other company units to cover their own financial requirements. This reduces the volume of external financing requirements and thus our interest expense. External financing requirements are covered using money and equity market instruments. We also make use of committed credit facilities in various currencies and with various terms, as well as selected off-balance financing instruments such as factoring programs and operating leases. Information on the available credit facilities is provided in Note 17.

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Our centralized financing system enables us to project a uniform image to the capital markets. This strengthens our negotiating position vis-à-vis banks and other market participants and makes it easier for us to procure and invest capital on optimum terms.

ThyssenKrupp AG is party to the following agreements that contain certain conditions in the event that an agreed financial indicator – gearing – is not observed. Gearing is the ratio of net financial debt to total equity in the consolidated financial statements and should not exceed 150%. This limit was again observed at September 30, 2012; gearing was 128.1%. In the prior year it was 34.5%.

The Company has entered into an agreement with a banking consortium on a committed credit facility, currently unused, in the amount of €2.5 billion. This agreement can be terminated with immediate effect if the gearing limit is not observed and this is requested by a group of banks representing more than 50% of the credit facility. Outstanding loans would then have to be repaid immediately; the credit facility would no longer be available for new loans.

The Company has entered into an agreement with the European Investment Bank, Luxembourg, for a development loan in the amount of €210 million. This agreement can be terminated with immediate effect at the request of the creditor if the gearing limit is not observed. The outstanding loan would then have to be repaid immediately.

The Company has issued a guarantee in respect of a loan of originally around 2 billion Brazilian reals for its subsidiary ThyssenKrupp Companhia Siderúrgica do Atlântico. At September 30, 2012 the loan was still outstanding in the equivalent amount of €753 million. If the gearing limit is not observed, BNDES – the Brazilian development bank – can demand that the Company's guarantee be replaced by a bank guarantee.

The Group's financing and liquidity were secured in the reporting year.

At September 30, 2012 ThyssenKrupp had €2.3 billion in cash and cash equivalents and €4.4 billion in available credit facilities. Together this provided available liquidity of €6.7 billion. Additional financing of up to €1.5 billion was available under a commercial paper program, which was unused at September 30, 2012. The possibility of using the commercial paper program depends on the receptiveness of the market. The financing and liquidity of the Group were secured at all times during the reporting year.

Issuer ratings since 2001

We have been rated by Moody's and Standard & Poor's since 2001 and by Fitch since 2003. In the past fiscal year Standard & Poor's downgraded our long-term rating from BB+ to BB; it remains below investment grade. At Moody's and Fitch, our rating remains investment grade, although our rating outlook with each was changed from stable to negative in the past fiscal year. A negative outlook means that the rating agency monitors the rating more closely and then reviews it, normally within a period of 12-18 months. Should our rating be downgraded, the Group's contractually agreed financing costs would be increased by a low two-digit million euro amount.

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	negative
Moody's	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

Analysis of the statement of financial position

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Total assets at September 30, 2012 came to €38.3 billion.

Compared with September 30, 2011, total assets decreased by €5,319 million to €38,284 million. This includes a currency translation-related increase of €852 million, mainly due to movements in the US dollar exchange rate.

Non-current assets decreased by €6,116 million. This sharp decline was primarily due to a €6,596 million reduction in property, plant and equipment, mainly due to reclassifications to assets held for sale due to the disposal of the Steel Americas business area initiated in fiscal year 2011/2012 and the deconsolidation of the US foundry Waupaca; this was partly offset by €331 million exchange-rate effects. Intangible assets increased by €125 million, due to higher goodwill in connection with acquisitions in the Elevator Technology and Plant Technology business areas, as well as exchange rate effects. The €234 million decrease in other non-current non-financial assets was also mainly due to reclassifications to assets held for sale. There was a €539 million increase in deferred tax assets due in particular to the increase in tax-deductible losses in Germany and abroad.

Current assets increased by €797 million; €370 million of this was attributable to exchange rate effects.

Inventories stood at €6,367 million on September 30, 2012, down €1,738 million from the prior year. This was mainly due to reclassifications to assets held for sale as well as declines in the Steel Europe business area in connection with volumes and production costs.

At €5,126 million, trade accounts receivable were level with the prior year. Reclassifications to assets held for sale were partly offset in particular by exchange rate effects and higher percentage completion rates on long-term construction contracts.

The €210 million decrease in other current financial assets was mainly due to the recognition of derivatives. Other current non-financial assets increased by €93 million, due in particular to increased advance payments for the procurement of inventories.

The €1,009 million decrease in cash and cash equivalents was mainly due to payments of €1,461 million in connection with the financing of the discontinued operations and to €(365) million negative cash flow; in addition to this came €293 million dividend payouts. This was partly offset by proceeds of €1,115 million from borrowings, of which €1,250 million related to the issue of a new bond in February 2012.

Assets held for sale were €3,706 million higher at €9,467 million. Of this substantial increase, €4,446 million related to the sale of the Steel Americas business area initiated in the 2011/2012 fiscal year, while €330 million related to the sale of the Berco group in the Components Technology business area and €308 million to the sale of the Tailored Blanks group in the Steel Europe business area, both initiated in September 2012. This was partly offset by the sale of the civil operations of Blohm + Voss (€620 million) in the Marine Systems business area in the 2nd quarter 2011/2012 and the disposal of the Xervon group (€451 million) in the Materials Services business area in November 2011. In addition there was a net reduction of €242 million at Stainless Global, where an increase as a result of continuing operation were partly offset by impairment charges of €400 million based on the agreement with Outokumpu.

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Total equity at the end of the fiscal year was €4.5 billion.

Total equity at September 30, 2012 was €4,526 million, down €5,856 million from the prior year. The main factors in this were the net loss of €5,042 million, dividend payments of €293 million and the net actuarial losses from pensions and similar obligations (€836 million after taxes) recognized in other comprehensive income. This was partly offset by unrealized gains from foreign currency translation (€335 million) recognized in other comprehensive income. The €403 million decrease in non-controlling interest recognized in total equity related in particular to the losses at ThyssenKrupp Companhia Siderúrgica do Atlântico. The equity ratio fell from 23.8% to 11.8%, mainly due to impairment charges in the Steel Americas business area.

Non-current liabilities decreased by a net €617 million, with non-current financial debt €1,238 million lower. A €1,322 million decrease in liabilities to financial institutions – mainly the result of reclassifications associated with assets held for sale – was partly offset by an increase in bonds from the aforementioned bond issue in February 2012. Further reductions resulted mainly from reclassifications to current financial debt. €1,002 million related to a bond redeemable in February 2013 and €249 million to notes payable due in April 2013. This was partly offset by €768 million higher provisions for pension and similar obligations: A €1,220 million increase in connection with updated interest rates for the revaluation of pension and healthcare obligations at September 30, 2012 was partly offset by the sale of the US foundry Waupaca as well as plan changes. The €106 million increase in other non-current provisions related in particular to adjustments as a result of lower market interest rates as well as restructuring measures initiated in the reporting year. Deferred tax liabilities decreased by €292 million, mainly due to increased opportunities for offsetting deferred tax assets and liabilities as a result of higher tax-deductible losses.

Current liabilities increased overall by €1,154 million, of which €242 million related to exchange rate effects.

The €168 million decline in other current provisions related mainly to onerous contracts, litigation and financing risks, and provisions in connection with CO_2 emissions allowances. Current financial debt was €1,751 million higher, mainly due to the €1,251 million reclassifications of a bond and notes payable as well as higher liabilities to financial institutions.

Trade accounts payable declined in 2011/2012.

Trade accounts payable decreased by €1,412 million; all continuing operations contributed to this, and in the Components Technology business area in particular the sale of Waupaca. Further reductions also resulted from reclassifications to liabilities associated with assets held for sale.

Other current financial liabilities decreased by €390 million, mainly due to the accounting for derivatives and the reduction of liabilities to associated companies. The €767 million increase in other current non-financial liabilities mainly reflected higher advance payments and exchange rate effects.

Liabilities associated with assets held for sale increased by €690 million to €3,914 million, primarily due to the disposal initiated in fiscal 2011/2012 of the Steel Americas business area (€1,315 million) as well as the Berco group (€170 million) and the ThyssenKrupp Tailored Blanks group (€106 million). This was partly offset by the above-mentioned disposals of the Xervon group (€397 million) and the civil operations of Blohm + Voss (€325 million).

Assets not recognized and off-balance financing instruments

Pages 164–165

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In addition to the assets recognized in the balance sheet, the Group also uses non-recognized assets. These are mainly leased or rented assets (operating leases). More details on this can be found under Note 21. The main off-balance financing instruments we use are factoring programs. More details can be found under Note 10. Should financing instruments of this kind no longer be available in the future, we have adequate available credit lines. This also applies to the non-recourse factoring of receivables, which the Group sold in connection with ordinary business activities in the amount of around €1 billion at the closing date; in the prior year the amount was also around €1 billion.

The ThyssenKrupp brand is an intangible asset of particular importance to us. It stands for the high quality standards of the Group's products and services, has a high recognition factor and is a clear differentiating feature on the global markets. The brand thus strengthens the image of our Group companies on their markets. The brand value is further enhanced by the Group's competitive strength and through continuous communications work. Our managers and employees also contribute to ThyssenKrupp's good reputation, applying their skills and knowledge of technology and markets to the benefit of the Group.

Our longstanding and trusting relationships with our customers and suppliers are also of great value, as they reduce short-term market risks. Customer satisfaction takes absolute priority. We do everything possible to offer our customers value and a competitive edge through custom product and technology solutions and tailored services – all subject to stringent quality controls. These established contacts in conjunction with the Group's recognized technological competencies pay particular dividends in the international plant construction sector. Our supplier relationships are also geared to the long term and designed to guarantee stability of supply, while maintaining the necessary regional and time flexibility. Our supplier portfolio, our contract periods, and the use and efficiency of materials are continuously optimized and adapted to changing market conditions. We also ensure that both customers and suppliers possess adequate creditworthiness.

Our intensive investor relations work succeeds in convincing German and international investors of our Company's long-term prospects. This secures our competitive position on the financial markets and the Group's liquidity.

Non-financial performance indicators

Sustainability is firmly anchored in the Group's strategy. With our engineering expertise we enable our customers to gain an edge in the global market and manufacture innovative products in a cost- and resource-efficient way. The basis for this is responsible corporate governance geared to long-term value creation.

Sustainability

ThyssenKrupp regards sustainability as a key driver of innovation and a continuous process to improve the economic, ecological and social performance of the Company. Sustainable and responsible business practice has been an integral part of ThyssenKrupp's corporate culture for 200 years. ThyssenKrupp has underlined its commitment to sustainable development by joining the United Nations Global Compact initiative. The key sustainability areas are defined by the Executive Board and the business area CEOs in a systematic process and reviewed regularly. The central sustainability management team provides process development support to the specialist departments and business areas in these key areas. In the reporting year, the Group also expanded its online sustainability reporting based on the international standards of the Global Reporting Initiative and the United Nations Global Compact.

In the following we report on our main sustainability activities in the areas of innovation, employees, environmental and climate protection, and corporate citizenship.

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– In the reporting year ThyssenKrupp presented an innovation "from the emerging markets for the emerging markets" – a two-roller mill for the cost-efficient processing of sugar cane (more under "Innovations").

Pages 89–92

– We made further improvements in health & safety: In the last five fiscal years, the number of accidents in the Group has decreased by more than 50% (more under "Employees"). Health & safety is now also included in the Group's planning processes.

Pages 92–93

– The Steel Europe business area received ISO 50001 certification for its energy management system. With an adjusted figure of around 1.7 metric tons of CO_2 per ton of crude steel produced, emissions from our steelmaking operations are well below the global average (more under "Environment and climate").

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– The 2012 ThyssenKrupp Ideas Park provided an impressive technology experience for 320,000 visitors (more under "Corporate citizenship").

Innovations

Innovations and new technologies form the basis for the future growth of the Group. More than 3,000 researchers and developers in a global network work on solutions to meet the rising demands of our customers and help conserve existing resources. The following examples represent a selection of the many current innovations in our Company.

LITECOR® displays outstanding CO_2 performance.

New composite material

Production of the new LITECOR® composite has started on a pilot line. The material comprises two thin face sheets firmly bonded to a polymer core, combining the high strength of steel and the low weight of the plastic. Originally developed as a cost-efficient alternative to aluminum and plastics in auto body construction, LITECOR® can also be used in numerous non-automotive applications. In collaboration with a renowned institute and – for the first time – a customer, we calculated the carbon footprint of the new composite. The analysis, which has received TÜV certification, revealed a particularly good CO_2 performance over all phases of the product life cycle.

Energy costs and emissions over the product life cycle

Our life cycle assessments for steel materials make it possible to track environmental performance over the entire product life cycle – from production to use to recycling. To make these complex calculations easier to understand for the non-technician, we developed the free “Autobody LCA” app for iPad and iPhone, with an easy-to-use interface that allows complete bodies or individual parts of steel to be compared with aluminum variants. The app reveals that steel frequently displays a superior CO_2 life cycle performance to other lightweight materials, while also costing less.

Optimized foundations for offshore wind turbines

As a supplier of complete foundations for offshore wind turbines, the Materials Services business area is supporting an engineering specialist in the development of the innovative “Hexabase” foundation design. The hexagonal steel tube structure is lighter than other designs. It is also optimized for transportation and production, providing major logistical and project management advantages. Using standardized starting products with a high degree of automation, these high-quality foundations can be manufactured at low cost.

Elevator technology for high-rises expanded

The high-rise sector – the Formula 1 of the elevator world – requires high-quality products and components. A key component of elevators for high-rise buildings is the drive, which our engineers have already developed in a variety of different sizes. For example, electrical drives from the “Synchron-Fast” series are in successful operation in the Shanghai World Financial Center, the Commerzbank Tower in Frankfurt and the CMA Tower in Riyadh. Drives have also been produced for One World Trade Center in New York. The biggest drive in this series can move elevators with rises of more than 550 meters and capacities of over 5,000 kg. In the reporting year we extended our range of drives at the high-performance end. This size of drive is particularly attractive for small to medium-size double-deck elevators in high-rises. Double-deck elevators feature two cars serving two floors at the same time. Efficiency rates of up to 97% enable our customers to profit from lower energy costs.

Evolution® Blue Technology improved

Our developers have further improved the successful Evolution® Blue Technology elevator system. It can now be adapted to different shaft sizes to make optimum use of the available shaft space. With smaller shaft heads and pits, the system can now respond more flexibly to the building architecture; this is an important advantage, especially in modernization projects. In addition to the use of new, lower-wear materials, the electronics system has been completely redesigned. Moreover, energy from braking is fed back to the grid, and electrical components are deactivated when not in use so as to maximize energy efficiency. The highly popular elevator system is available in three models with attractive color combinations.

Lower energy consumption for chlorine-alkali electrolysis

With an annual output of around 70 million tons, chlorine is one of the world's most important basic chemicals. It is produced in a highly energy-intensive process in electrochemical cells, in which electrodes are separated by a membrane. Our engineers have now developed the new, energy-saving Generation 6 chlorine-alkali electrolysis cell featuring 'zero gap' technology, in which an elastic element enables the entire active area of the membrane to be positioned between the electrodes without any gaps. The energy savings make our customers' production plants more cost-efficient.

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Innovation from emerging markets for emerging markets offers cost advantages.

Two-roller mill for cost-efficient processing of sugar cane

The complete redesign of a sugar cane mill represents an innovation "from the emerging markets for the emerging markets". The energy-efficient two-roller mill was designed by our engineers in India. The two-roller design requires 25% to 30% less energy than conventional three-roller mills; wear is also lower. Moreover, the simplicity of the mill reduces capital outlay and costs for maintenance and resetting. With its lower capital and operating costs, the mill is ideally tailored to local requirements.

Assembly line developed for battery systems

Electric vehicles require high-performance batteries to power them. That is why ThyssenKrupp's automation specialists at our new technical center near Chemnitz are developing an assembly line for battery systems with lithium-ion cells. These new lines will improve the cell production process as well as module and battery assembly.

DampMatic® II – innovative damper

Tuning damping systems means resolving the conflict between ride comfort, agility and safety – criteria which are important to customers. This involves meeting some conflicting requirements: soft damping for greater comfort, but tight damping for dynamic maneuvers or sporty driving. The adjustable damping system DampMatic® II goes a long way towards resolving this problem. At its core is a passive bypass control system that automatically adapts damping force to driving conditions. This innovation requires no additional electronic components, so the cost-benefit ratio is optimal. Thanks to a substantial increase in functionality compared with the first generation at only low additional cost, DampMatic® II will be used in a global vehicle platform of a German carmaker from 2013.

€644 million for research and development

In the reporting year we spent €644 million on product, process and service innovations. Of this, research and development costs amounted to €244 million, amortization of development costs capitalized in previous years accounted for €57 million, and €343 million was for order-related development costs. Overall, expenditure for research and development was 17% higher than a year earlier, with increases above all in Plant Technology and Elevator Technology. The components business saw a particular increase in order-related development work.

RESEARCH AND DEVELOPMENT, COSTS IN MILLION €

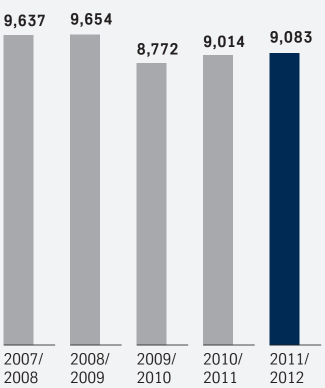
	2010/2011*	2011/2012	Change in %
Research and development costs	221	244	10
Amortization of capitalized development costs	44	57	30
Order-related development costs**	286	343	20
Total	551	644	17

* Prior-year figures have been adjusted ** Part of cost of sales without offsetting grants/subsidies

Employees

PERSONNEL EXPENSE

in million €



Our people shape the Group and its success with customers and other business partners. That's why we are constantly on the lookout for young talent, provide ongoing training for our specialists and managers, and offer challenging work and good career opportunities.

Employee numbers decreased in the reporting year, mainly as a result of portfolio measures. On September 30, 2012 we employed 167,961 people worldwide, a year-on-year decrease of 12,089 or just under 7%. Disposals mean that employees leave the Group but remain with their previous companies. Safeguarding jobs is an important element of all our portfolio measures. The decrease had a slightly higher impact on the workforces in Germany. Among the continuing business areas, the decline was strongest at Marine Systems (–28.8%) due to the sale of the repair and components business, while Elevator Technology and Plant Technology increased their headcounts by 2.9% and 6.4% respectively.

At €9.1 billion, personnel expense was almost 1% higher than the year before.

EMPLOYEES BY REGION (SEPTEMBER 30)

	2008	2009	2010	2011	2012	Change in %
Germany	85,097	81,229	71,072	69,122	64,380	(6.9)
Europe (excluding Germany)	46,711	42,291	39,712	36,319	34,701	(4.5)
North and Central America	31,669	27,431	22,788	24,518	22,116	(9.8)
South America	15,892	15,466	19,629	22,568	21,320	(5.5)
Asia/Pacific	17,881	18,481	21,544	24,742	24,170	(2.3)
Africa	2,124	2,597	2,601	2,781	1,274	(54.2)
World	199,374	187,495	177,346	180,050	167,961	(6.7)

EMPLOYEES BY BUSINESS AREA (SEPTEMBER 30)

	2008	2009	2010	2011	2012	Change in %
Steel Europe	38,692	36,416	34,711	28,843	27,761	(3.8)
Materials Services	47,703	44,316	33,856	36,568	27,595	(24.5)
Elevator Technology	42,992	42,698	44,024	46,243	47,561	2.9
Plant Technology	13,433	13,043	12,972	13,478	14,339	6.4
Components Technology	32,312	27,973	29,144	31,270	28,011	(10.4)
Marine Systems	8,288	7,770	5,488	5,295	3,772	(28.8)
Corporate	2,584	1,865	2,597	2,803	3,084	10.0
Employees of continuing operations	186,004	174,081	162,792	164,500	152,123	(7.5)
Steel Americas	1,158	1,659	3,319	4,060	3,992	(1.7)
Stainless Global	12,212	11,755	11,235	11,490	11,846	3.1
Group employees	199,374	187,495	177,346	180,050	167,961	(6.7)

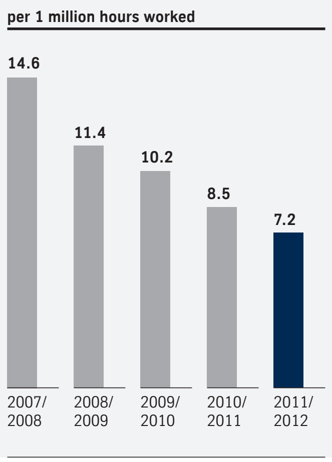
Apprentice training rate in Germany 5.8%

In many countries around the world we offer young people attractive apprenticeships and study opportunities. In Germany alone, around 3,700 young people were aiming to graduate from an apprenticeship in one of over 50 different occupations or an integrated degree program in 2012. The majority of these programs are in industrial or technical areas. Our 151 full-time trainers and numerous training officers teach not only technical skills but also methodological and social competencies. As a result, 92% of apprentices passed their final exams in the reporting year. At the same time, 1,166 young people started an apprenticeship at ThyssenKrupp. In Germany the apprentice training rate was 5.8%.

A particular highlight this year was the ThyssenKrupp Ideas Park in Essen. On ‘apprentice day’ alone, 1,500 apprentices and their trainers experienced the fascinating technology and diversity of ThyssenKrupp. In addition, 550 apprentices were actively involved as part of the Ideas Park team.

Health and safety improved further

ACCIDENTS AT WORK
ACCORDING TO INTERNATIONAL DEFINITION



The ThyssenKrupp Group’s health and safety record improved further in 2011/2012. 7.2 accidents per 1 million hours worked represent a 14% decrease in accidents compared with the prior year. Accident numbers have fallen by 50% in the last five years. The improved safety in offices and production operations was largely due to the Groupwide “zero accidents” initiative; as a result, we are continuing and expanding this successful initiative. Following China, management training in the area of health and safety was provided above all in Brazil in the reporting year. Similar programs are being prepared for the USA and Mexico. For the first time, further improvements in health and safety were included in operational planning.

Focus on graduate recruitment

It is becoming more and more important to have a presence at universities so as to attract talented graduates. We present ourselves as an attractive employer and establish contacts with students at an early stage. We have maintained close relationships for many years with six German universities in Aachen, Berlin, Bochum, Dortmund, Dresden and Duisburg-Essen, and also with universities in Brazil, China, Japan and Russia. In addition we have activities at other institutes and higher education establishments such as the Karlsruhe Institute of Technology and Südwestfalen and Dortmund technical universities, for example through support groups and business management games.

Our entry programs are tailored to the specific needs of the different target groups. The best of our interns are included in our “Next Generation” intern retention program. At selected events they receive systematic support for their later career start in the Group. For graduates with an interest in research, the doctoral student program “Your Innovation” provides an opportunity to be involved in work on the latest technologies in the Group. In the Group’s “Create (y)our future” program, graduate trainees are given strategic and operational insights into the various activities and business areas. Preparations for taking on key positions in the Group are rounded out by foreign project assignments.

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ThyssenKrupp careers website ranked #2 in Germany.

Our online careers portal is now firmly established as a central medium for gathering information and submitting job applications. Most applicants visit the website beforehand to find out more about our Company. The Swedish consultancy Potentialpark ranked ThyssenKrupp’s careers website the second best in Germany in 2012. A mobile version of the career pages was introduced a year ago and immediately topped the rankings.

Efficient organization of international assignments

The Competence Center Global Assignments was established at Group headquarters in early 2012 to standardize the organization of international assignments and improve transparency and cost efficiency. To date the team has supported more than 300 expatriates in their work abroad. In addition to detailed preparation through advice, language and cultural training and the complete organization of the move abroad, the Competence Center ensures that salaries and contracts take account of labor, tax and social security legislation in the respective country. Support is also provided for partners and children in line with the Group’s family policy. Services cover all international assignments, from short trainee placements to long-term management transfers.

Modern company pension scheme

Our Group offers a range of effective company pension models which have been regularly adapted to continuous changes in legal and demographic circumstances over the years and meet today’s requirements for a modern benefit system. The current defined-contribution pension plan combines the possibilities of employer and employee contributions. Many employees take advantage of the deferred compensation plan to help secure their living standards after retirement. This is supported by tax relief and additional employer contributions.

ThyssenKrupp PerspActive

ThyssenKrupp
PerspActive

ThyssenKrupp PerspActive is the Groupwide assessment and development process for our 2,000 top managers, aimed at ensuring that we have a competent and motivated management team to meet the challenges of the future. In line with our new mission statement, one priority in the reporting year was on making differentiated assessments of executives. The aim is to establish a culture that promotes open feedback and a focus on performance. We would like to further expand our regional networks: The meetings held at each major business unit around the world to discuss the assessments with our managers were supplemented for the first time by local discussion rounds in the respective regions and functional areas.

We also introduced a standardized compensation system for managers at the level below the business area management boards in the reporting year. The use of standardized indicators to determine bonuses and the possibility to take current Group issues into account increase the transparency and comparability of compensation.

The Groupwide programs for managers with potential for positions in the three highest levels below the business area management boards are now successfully established. At the level below the business area management board alone, more than 80% of vacancies in the reporting year were filled with managers from the potential programs or candidates from our successor planning. The potential programs promote potentials within the Group and tie them to the Group long-term.

ThyssenKrupp Academy

The programs offered by the ThyssenKrupp Academy aid in the development of the Group's top 2,000 executives, enabling them to master the tasks at hand and preparing them for the challenges of the future. With programs for specific target groups, the Academy has established itself as a place of teaching, learning and internal networking. Just under 100 programs were carried out in the reporting year, many focusing on the content of our mission statement. Various tailored courses were also launched, the communications programs expanded, and a new "Excellence in Finance" format introduced.

Diversity as a goal of personnel policy

Diversity and respect are central elements of our Group mission statement and drive our actions: diversity as the basis for our capabilities, mutual respect as the basis of how we work together.

Last fiscal year we analyzed our Group worldwide as part of the 'diversity@thyssenkrupp' project and on this basis derived the diversity strategy which is now being implemented. At the center of our new diversity management are numerous measures aimed at increasing diversity in terms of gender and nationality/ethnicity. When making recruitment and promotion decisions, we will take greater account of diversity and make the processes themselves more transparent. We also want to raise the "visibility" of employees who stand for diversity; for example, we will further expand the mentoring of high potentials.

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Family-friendly HR policy supports our commitment to diversity.

We are also strengthening our commitment to a family-friendly HR policy – a central element of diversity management. The "Miniapolis" daycare center with places for around 100 children opened in Essen in August 2012, with a particular focus on the areas of science and technology. The "Stahlsternchen" child daycare center is scheduled to open in Duisburg in spring 2013, offering places for around 40 children. In addition to a science/technology bias, the center will also follow a bilingual approach to promote learning in the areas of language and interculturality.

Environment, climate and energy

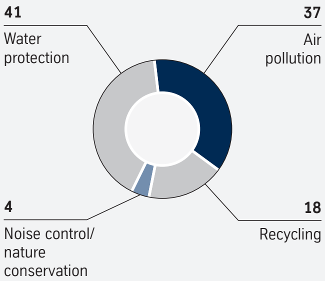
Responsible environmental and climate protection is an important corporate objective at ThyssenKrupp. The Group's environmental policy and the Group Directive on Environmental and Climate Management set out the binding requirements for all Group companies. They are implemented under our Groupwide environmental and climate management system. In addition, more than 90 Group companies operate environmental management systems certified to the international ISO 14001 standard. The operation or introduction of an ISO 14001 environmental management system is a binding requirement for all Group companies with a major environmental impact. In addition, energy efficiency projects are being intensified and energy management systems (EnMS) introduced. For example, the Steel Europe business area successfully received ISO 50001 certification for its EnMS in steel production in just six months, based on its decades of experience in energy efficiency.

Investment in environmental and climate protection

Our objective is to minimize the environmental impact of our operations. To achieve this we utilize state-of-the-art environmental protection technologies at our sites and make continuous investments in environmental protection equipment such as dust filters, wastewater treatment facilities and oil separators. Following particularly high spending on environmental protection facilities in the last two years, expenditure this year was €60 million, similar to the level in 2008/2009. Ongoing expenditure on environmental protection equipment was €8 million higher year-on-year at €547 million.

ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION 2011/2012

in %



ONGOING EXPENDITURE ON ENVIRONMENTAL PROTECTION IN MILLION €

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	Change in %
Air pollution control	182	162	191	188	201	7
Water protection	201	195	226	224	222	(1)
Noise control/nature conservation	16	13	19	18	23	28
Recycling	112	84	96	109	101	(7)
Total	511	454	532	539	547	1

Corporate citizenship

www.ideenpark.de

Together with more than 200 partners, ThyssenKrupp staged the fourth Ideas Park in Essen in August 2012. For 13 days, the worlds of science, research and business presented impressive experiments, fascinating exhibits, interesting guests and breathtaking shows with solutions for the global challenges. Attracting 320,000 visitors, the Ideas Park was Germany's biggest technology festival for the whole family.

Supporting the people in the communities in which we operate, creating a positive environment and promoting enthusiasm for technology are second nature to ThyssenKrupp. We support initiatives around the world through donations, sponsorships and other means. Our involvement is primarily in the areas of education, local communities, and aid for natural disasters. Our activities create value for both sides, company and society. We strengthen our social environment and so help shape the conditions which have an important influence on the sustainable success of our Company.

Subsequent events

On the recommendation of the Personnel Committee, on December 10, 2012 the Supervisory Board terminated the appointments of Executive Board members Dr. Olaf Berlien, Edwin Eichler and Dr. Jürgen Claassen effective December 31, 2012. All three gentlemen are in agreement with the termination of their appointments.

Expected developments and associated opportunities and risks

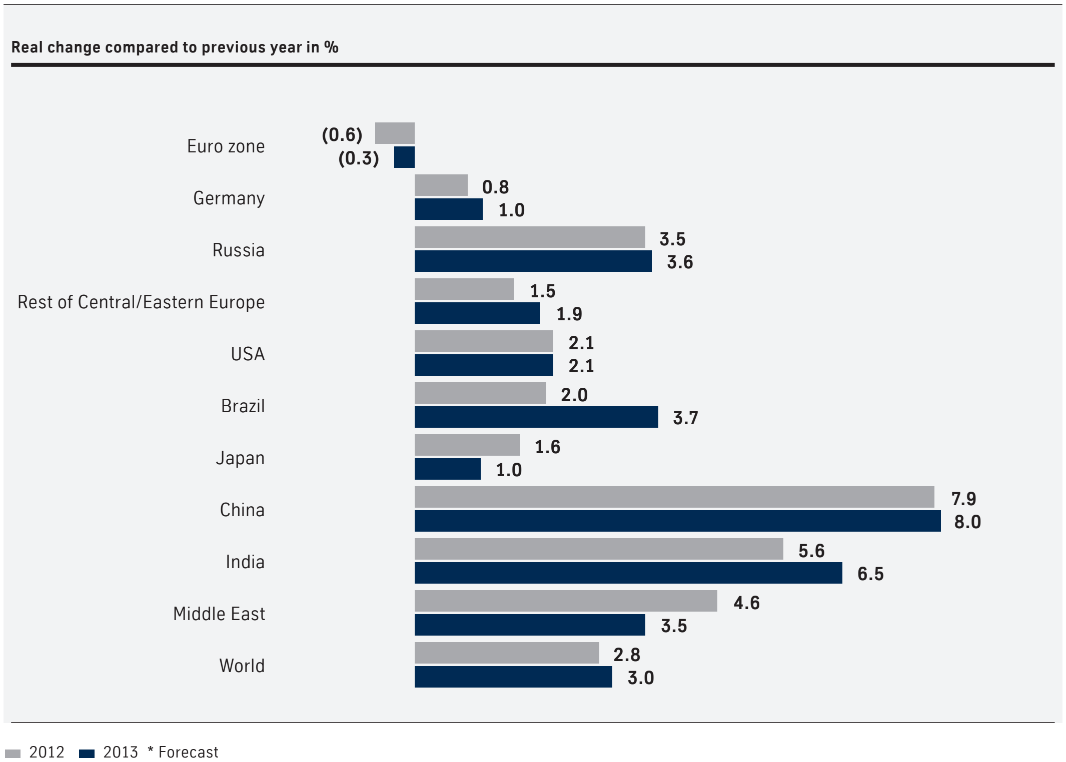
Although the economic environment remains difficult and is marked by great uncertainties, we expect sales to match the prior-year level and adjusted EBIT from continuing operations to reach around €1 billion in 2012/2013. We will continue to vigorously drive forward the Group's strategic development.

Economic outlook

Economic growth to remain weak

There are no signs of a full-scale global economic recovery in 2013. The reasons are the unsolved debt problems in particular in the euro zone and slower rates of growth in the emerging economies. After 2.8% last year, global economic growth of 3.0% is expected in 2013, with the emerging countries expanding overall by 5.3% and the industrialized counties by only 1.4%. Stronger economic momentum is not expected before 2014.

GROSS DOMESTIC PRODUCT 2012*, 2013*



* Forecast

High sovereign debt, the need for fiscal consolidation, and cautious capital investment are hampering growth in the euro zone; GDP is therefore expected to fall slightly again in 2013. The recessionary trend in the southern European countries is likely to continue. In Germany GDP could grow by 1.0% – driven mainly by consumer and business spending.

In the USA the pace of economic recovery will show little change. Increased consumer and business spending is expected to lead to growth of once again 2.1%. In Japan, where impetus from the rebuilding process after the natural disaster is slowing, growth of only 1.0% is forecast for 2013.

The current weaker pace of expansion in many emerging countries will continue. Nevertheless, the BRIC countries are expected to remain the growth pillars of the global economy in 2013. GDP growth of 8.0% is forecast for China, and 6.5% for India.

Industrial sectors with growth

Flat carbon steel – Against the background of the weak global economic recovery, the prospects for the steel market remain subdued. Global finished steel demand is expected to increase by 3% to 1.45 billion metric tons in 2013; this corresponds to crude steel production of 1.6 billion metric tons. The main impetus will again come from the emerging markets in Asia, Latin America and the Middle East. As in 2012 the growth in demand in these regions will be much lower than in previous years. This is particularly true of China, where a 3% increase is forecast for 2013. In the USA steel market growth will weaken to just under 4%. For the EU market we expect steel demand in 2013 to stabilize at the prior-year level. Steel demand in Germany will be slightly higher year-on-year at almost 40 million metric tons.

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Global auto production is expected to grow by almost 3% in 2012.

Automotive – The international auto market will continue to grow in 2013. Worldwide production of cars and light trucks is expected to increase by almost 3% year-on-year to almost 81 million units. Chinese vehicle production will again grow by 8%. In the USA growth will slow from the high prior-year level to 6%. The Brazilian auto market will recover again, with around 4% expansion. After the catch-up effects of the prior year, auto production in Japan will show a slight decline of around 2%. The Western European auto market remains subdued. Flat demand will cause production to fall below the already very weak prior-year level.

Machinery – Growth in machinery production will weaken in 2013, with capital spending in several countries subdued. Growth could slow to 2.5% in the USA and 10.5% in China. For Germany's export-oriented machinery sector we expect production to remain at the prior-year level.

Construction – Construction activity will continue to show regional differences in 2013. In Western Europe construction output will decrease year-on-year due mainly to continued steep declines in the southern countries. With housing demand remaining strong, construction activity in Germany will increase slightly. The prospects for some Central and Eastern European countries remain brighter. The US construction sector could slowly recover. Construction activity in India and China will remain strong with growth rates of 8.5% and over 10% respectively.

IMPORTANT SALES MARKETS

	2012*	2013*
Demand for finished steel, million tons		
World	1,405	1,448
Germany	38.6	39.5
USA	96.5	100.0
China	639.5	659.2
Vehicle production, million cars and light trucks		
World	78.6	80.7
Western Europe/Turkey	14.0	13.9
Germany	5.7	5.7
USA	9.8	10.5
Japan	9.4	9.2
China	17.3	18.7
Brazil	3.0	3.2
Machinery production, real, in % versus prior year		
Germany	1.0	0.0
USA	6.0	2.5
Japan	(1.0)	6.0
China	12.0	10.5
Construction output, real, in % versus prior year		
Germany	1.7	0.7
USA	1.8	6.7
China	7.9	10.3
India	6.8	8.5

* Forecast

Expected results of operations, financial and liquidity situation

Fiscal year 2012/2013

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The Steel Americas business area is classified as a discontinued operation effective September 30, 2012, like the Stainless Global business area before it. The following forecast therefore relates to the Group's continuing operations; Steel Americas and Stainless Global are no longer included. We expect to sell Steel Americas in the course of fiscal year 2012/2013 and to close the Stainless Global transaction before the end of 2012.

Sales and earnings – From the present perspective the Group's business performance in the 2012/2013 fiscal year will be characterized to a very large extent by the continued absence of a global economic recovery, with an unsolved debt crisis in particular in the euro zone and slower growth in the emerging economies.

Based on the assumption of stagnation for the most part in the core markets of our more cyclical materials and components businesses, where in the current economic environment visibility does not extend much beyond a quarter, our expectations for sales and adjusted EBIT compared with the prior year are currently as follows:

– We expect the Group's sales to remain at the prior-year level (sales 2011/2012: €40.1 billion) provided there are no major dislocations on the raw materials markets. Sales lost due to portfolio measures, in particular at Steel Europe and Components Technology, should be largely offset by organic growth in the capital goods businesses, where planned sales are already secured well into the second fiscal half by existing high order backlogs.

Adjusted EBIT is expected to be around €1 billion in 2012/2013.

– Assuming that the slower activity on the materials markets at the beginning of the new fiscal year compared with the prior year continues but does not progressively worsen, adjusted EBIT from the Group's continuing operations should be around €1 billion (adjusted EBIT 2011/2012: €1.4 billion).

– Adjusted EBIT from the more cyclical materials activities (adjusted EBIT 2011/2012: €0.6 billion), for which a reliable full-year forecast is not currently possible, is expected to be lower in the 1st quarter 2012/2013 than in the 4th quarter 2011/2012 (adjusted EBIT 4th quarter 2011/2012: €152 million) due to lower prices and volumes and intense competition.

– In the capital goods operations (adjusted EBIT 2011/2012: €1.7 billion) earnings contributions from the Industrial Solutions business area should remain largely steady. In the elevator business we expect to see initial improvements in margins and earnings. The components business will be impacted by the portfolio adjustments, lower operating levels in the existing plants, startup costs for the new facilities in China and India, and increasing competition for slewing bearings for wind turbines. Compared with the 4th quarter 2011/2012 (adjusted EBIT 4th quarter 2011/2012: €423 million) we also anticipate a decline for our capital goods operations in the 1st quarter 2012/2013, mainly for seasonal reasons.

Our goal in the 2012/2013 fiscal year continues to be to improve cash generation on a sustainable basis and reduce our net financial debt. Despite the problems on the European financial markets, the associated difficult conditions, and the temporary increase in gearing, our financing and liquidity in fiscal 2012/2013 will remain on a solid basis and able to cushion fluctuations resulting from specific short-term macroeconomic issues. After the high capital expenditures for the major projects in Brazil and the USA and the capacity optimization program at the Duisburg location, capital spending in the Group as a whole will be well below the prior-year level.

Discontinued operations – If the discontinued operation Steel Americas were to remain in the Group for the full 2012/2013 fiscal year, we would expect a loss for this operation in the mid to high three-digit million euro range. For the discontinued operation Stainless Global we expect a loss in the mid two-digit million euro range for the 1st quarter 2012/2013 up to the closing of the transaction.

Dividend – We will stick to our goal of dividend continuity and strive to pay an appropriate dividend again.

Employees – Based on current plans, we will increase our workforce level by recruiting additional employees in specific regions, e.g. Brazil, India, China and the USA. This does not include coming portfolio measures. To meet our long-term requirements for skilled employees, we will further expand our personnel programs. Our training offering will remain at its traditionally high level.

Research and development in the Group will be further strengthened.

Research and development – Innovations are highly significant for the future of the Group. We will therefore continue to strengthen research and development in all areas, focusing in particular on the plant technology, components and elevator businesses.

Purchasing – Materials expense is expected to amount to around 60% of sales. Long-standing supplier relationships together with the optimization of our international purchasing activities will help us reduce risks and avoid delivery bottlenecks.

Energy – Energy supplies to our worldwide plants are secured. In Germany we have already agreed prices and volumes to secure a high portion of our electricity and natural gas requirements. Although natural gas costs will rise slightly, we have secured attractive conditions compared with current market prices.

Environmental protection – In view of the planned changes to the Group's portfolio it can be assumed that both ongoing expenses for environmental protection and capital expenditure will also change accordingly from the 2011/2012 level. As previously the greater part of the amounts spent will relate to air pollution control and water protection measures.

Fiscal year 2013/2014

In the 2013/2014 fiscal year we will continue to work on the structural improvement of the Group and rigorously implement our integrated strategic development plan. This may include among other things targeted growth impetus and further portfolio optimization. Provided the economic effects of the debt crisis do not extend into our 2013/2014 fiscal year, we expect our sales to increase with the general growth in the economy. Rising sales and structural improvements should have a correspondingly positive impact on earnings. In 2013/2014 we additionally expect significant improvements on the earnings side as a result of the corporate programs initiated, in particular "impact 2015", and the continuous efficiency impetus provided by benchmarking. Since we additionally assume that the portfolio measures described will be implemented, we also expect an improvement in the equity and financing situation in 2013/2014. More information on our corporate programs is provided in the section "Profile and strategy".

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Opportunity report

In our annual strategic dialogue we identify opportunities in market and technology trends for all business areas. This structured Groupwide process is the basis for the strategic development of the Group in the operating units. In addition, we systematically analyze the regions in which we see the biggest opportunities for ThyssenKrupp for the future. The management of our opportunities is a task shared by all the Group's decision makers – from the Executive Board of ThyssenKrupp AG to the business area management boards and managements of the Group companies through to the project leaders with responsibility for markets.

Strategic opportunities for the Group

We have identified the global trends of demographic change, urbanization and globalization as growth drivers for ThyssenKrupp. But the demand for “more” competes with the needs presented by climate change, dwindling resources, and political conditions. Resolving this calls for increasingly better and higher quality products. In this interplay between “more” and “better” we see significant opportunities in the international markets by positioning ourselves as a premium supplier with our engineering expertise in the areas “Material”, “Mechanical” and “Plant”.

In the event of an economic downturn and financial restrictions, it would take us longer to utilize these opportunities. The associated risks are addressed in the risk report.

In parallel with our strategic growth we will evolve our organizational structure and further improve our internal structures and processes. The corporate program impact together with the business area-specific programs will help increase the Group’s efficiency and reduce costs. Detailed information on our corporate strategy including impact is provided in the section “The Group’s Strategic Way Forward”.

Pages 38–43

Operating opportunities of the continuing business areas

Steel Europe – The business area is focused on the premium flat carbon steel market segment. The global trends towards urbanization and increasing mobility within societies and the expansion and modernization of the energy infrastructure offer diverse opportunities for the use of high-quality steel products. These already feature in Steel Europe’s portfolio of products and services. However, the framework conditions in the European steel market are increasingly changing; the market environment is becoming more difficult. For this reason we initiated the “Best-in-Class! Reloaded” program at the end of the reporting year. It is aimed at identifying opportunities for the business area within these changed parameters, adjusting our strategy accordingly, and on this basis developing approaches for operational improvements.

Materials Services – For the Materials Services business activities, services are gaining further in importance as producers and fabricators concentrate increasingly on their core activities. Opportunities for the business area therefore lie in our strong customer focus, specific knowledge of markets and sectors, global connections, and wide-ranging project management expertise.

Elevator Technology – The Elevator Technology business area has been a leading player on the world market for elevators, escalators, moving walks, passenger boarding bridges and stair and platform lifts for many years. This market continues to offer potential for growth and profit. More than 900 locations around the globe create a tight-knit sales and service network. With our wide range of products – for standard installations, customized solutions as well as service and modernization packages – we can tap into new market potential.

We see good growth opportunities for the new business area Industrial Solutions.

Industrial Solutions – For the new business area Industrial Solutions, formed out of the Plant Technology and Marine Systems business areas effective January 01, 2013, we see good growth opportunities in plant technology thanks to our mastery of complete process chains and our long experience in dealing with process-related tasks. New possibilities are opening up in particular in North America due to the availability of shale gas. In addition, constant innovations strengthen our technology portfolio. In marine systems we see good opportunities for sustainable growth in our target markets for conventional submarines and surface naval vessels. The significantly increased order backlog gives us the opportunity to optimize our core product technology with well utilized capacities. The prospects for projects in the coming years are promising – particularly in the export business.

Components Technology – In the auto components business we see opportunities in drivers' growing environmental awareness. Our components for low-emission engines and our weight-optimized parts reduce vehicle CO_2 emissions and provide us with market opportunities on a sustainable basis. In the wind energy market we could profit long-term from the revival in the market particularly in the offshore sector.

Performance-related opportunities in costs and quality

New and optimized production processes that reduce costs and enhance quality for us and our customers offer major performance-related opportunities. At the same time these processes are designed to have a sustainable impact and help reduce carbon emissions. For example, our new production process for chlorine allows customers to save significant volumes of energy and is therefore particularly eco-friendly. With the synergize+ program we are consolidating our purchasing power to reduce material costs.

Risk report

Risk management is part of value-based management.

As the body of measures in place to ensure that risks are dealt with systematically and transparently, the risk management system at ThyssenKrupp is an integral component of value-based management and now reaches far beyond the early identification of risks required by law. The Executive Board and the Audit Committee of the Supervisory Board have set out clear requirements for further developing the risk management system.

With improved methods and tools we are increasingly better able to identify, evaluate and manage risks. From the present perspective the Group's risks are contained; from the current perspective we see no risks threatening the Group's ability to continue as a going concern. The European cartel authorities' approval of the sale of our Stainless Global operations to Outokumpu and the write-down on Steel Americas have reduced the Group's remaining risk portfolio. With the write-down, a risk that was transparently managed within our risk management system has occurred. Despite comprehensive risk analysis, evaluation and control, the occurrence of risks cannot be systematically ruled out.

Risk policy embedded in corporate strategy

Since 2009 risk management has been embedded organizationally in Controlling and, in combination with the significantly strengthened strategic focus of Controlling, now plays a much more active and holistic role, being integrally linked to the planning, reporting and review processes in the Group. Today the business models, strategic perspectives and concrete planned steps of the operating units are subject to a much more systematic review process.

The aim is to make optimum use of business opportunities and manage risks consciously, responsibly and actively. Responsible risk management also involves transferring risks away from our core processes as well as reducing or completely preventing risks. This cannot rule out the occurrence of risks. We recognize the necessary provisions for risks and through various risk management measures ensure that the risks taken in the Group are covered.

Risk management system further developed throughout the Group

Since 2010 a global IT risk management tool has been used to prepare an integrated risk map. In a bottom-up process, earnings and cash risks are entered by all Group entities worldwide and reported through a series of approval and aggregation processes via the business area management boards to Group level. For the individual risks identified and evaluated, measures are defined and systematically followed up.

The revised Group policy on risk management was adopted in July 2012.

In the new version of the Group Policy Statement on Risk Management adopted by the Executive Board of ThyssenKrupp AG in July 2012 we further tightened the binding standards for the risk management process and improved our risk management instruments. Our risk management system makes an important contribution to general business management and corporate planning: opportunities/risks and changes to the main risks in the Group are discussed at monthly intervals. As part of the planning process and also on an ad hoc basis we analyze risk corridors via downside/upside cases as well as concentration risks based on Groupwide risk scenarios. In addition, ad hoc risks are communicated directly to the risk management officers independently of the established reporting channels.

With the enhanced risk management system we fulfill current requirements from the Risk Committee and the Supervisory Board Audit Committee. Our established and continuously optimized bottom-up instruments are supported by top-down instruments. We regularly train our employees and highlight the importance of the risk principles and individual risk management elements. Particularly in the past fiscal year risk management training measures took place worldwide. ThyssenKrupp therefore makes increasing use of benchmarks and continuously improves its risk management system in line with best practice methods.

The material Group risks identified in the risk maps as well as analyses of risk scenarios and provisions are discussed and validated in meetings of the Risk Committee held four times a year, chaired by the CFO and attended by all Group officers responsible for governance, risk and compliance. By increasing the number of participants and the number of meetings held by the Risk Committee, the Executive Board took a further step forward in improving corporate governance processes in the Group in the reporting year. In the Risk Committee meetings in 2011/2012 among other things the risks associated with Steel Americas and the compliance cases were addressed and subsequently presented and discussed in meetings of the full Executive Board and the Supervisory Board Audit Committee. The risk report is on the agenda at every meeting of the Audit Committee to ensure that the Supervisory Board also regularly obtains an appropriate picture of the risk situation in the Group and monitors the effectiveness of the risk management system.

The following chart provides an overview of the Group's risk management system:

OPPORTUNITY AND RISK REPORTING AT THYSSENKRUPP

Regular audits carried out worldwide by Corporate Center Internal Auditing contribute to the efficient monitoring of this system. These findings help us further enhance the quality of reporting and improve the way risks are managed throughout the Group.

Control and risk management in the Group accounting process

We define our internal control system as the entire body of coordinated principles, processes and measures applied in the Company to ensure business and control objectives are achieved. The main aims are to guarantee the security and efficiency of business management, the reliability of financial reporting, and compliance with laws and policies. The project to harmonize data and processes throughout the Group is instrumental to the further development of the internal control system at ThyssenKrupp.

In the accounting process implemented controls must ensure that despite any risks the consolidated financial statements comply with requirements. Various integrated and independent supervision measures are in place to help achieve this aim.

An accounting policy regulates the preparation of the consolidated financial statements.

For the consolidated financial statements we have a standard accounting policy which is regularly updated and made available to all involved Group employees via an internal internet platform. Our consolidation tool is based on standard software and ensures a uniform procedure. In this way we minimize the risk of false statements in the Group's accounting and external reporting.

Financial reporting is organized in clearly defined sub-processes. Clear-cut responsibilities observing an appropriate segregation of functions and the dual-control principle reduce the risk of fraudulent conduct.

As the department responsible for the preparation of the consolidated financial statements, Corporate Center Accounting & Financial Reporting issues the decentralized units with binding standards for content and scheduling so as to safeguard the consistency of accounting practices in the Group and minimize scope for discretion in connection with the recognition, measurement and reporting of assets and liabilities.

The Group's shared service centers support the decentralized units with the preparation of their local financial statements. All employees involved in the accounting process undergo regular training.

We control and monitor the relevant IT systems used in the consolidation process on a centralized basis and perform regular system backups to reduce the risk of data loss and system failure. Automatic controls and manual checks by experienced employees as well as custom authorizations and access controls are part of a security system we use to protect finance systems against misuse.

Corporate Center Internal Auditing is involved in the overall process and regularly checks the efficiency of the internal control and risk management system.

Our harmonized processes, systems and controls provide sufficient guarantee that the Group accounting process is carried out reliably and in compliance with IFRS, German GAAP (HGB) and other standards and laws of relevance to accounting.

Risk transfer by central service provider

As central service provider, ThyssenKrupp Risk and Insurance Services again handled the Groupwide transfer of risks to insurers in the reporting year. The scope and structure of insurance cover is determined on the basis of risk assessments in which insurable risks at the Group companies are identified, evaluated and reduced or removed through asset-specific protection plans. Depending on the Group's risk-bearing ability, we agree appropriate deductibles for individual classes of insurance.

Binding standards are in place for all Group companies to keep risk prevention at a sustainable and appropriately high level. These standards were developed by experts from all areas of the Group under the leadership of ThyssenKrupp Risk and Insurance Services and are updated on an ongoing basis. Internal and external auditors regularly check compliance with these standards.

To limit the risk of insurer insolvency, we spread the risk over numerous insurers taking into account the ratings given to these insurers by recognized agencies.

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ThyssenKrupp AG manages and coordinates financial requirements within the Group.

Financial risks

Central responsibilities of ThyssenKrupp AG as parent company include the coordination and management of financial requirements within the Group and securing the financial independence of the Company as a whole. To this end we optimize Group financing and limit the financial risks.

Default risk: We enter into financial instrument transactions in the financing area only with counterparties who have a very high credit standing and/or are covered by a deposit guarantee fund. Transactions are concluded only within specified counterparty risk limits. Outstanding receivables and default risks in connection with supplies and services are constantly monitored by the Group companies; in some cases they are additionally insured under commercial credit policies. The credit standing of key account customers is monitored particularly closely.

Liquidity risk: To secure the solvency and financial flexibility of the Group at all times, we maintain long-term credit facilities and cash funds on the basis of a multi-year financial planning system and a liquidity planning system on a rolling monthly basis. The cash pooling system and external financings are concentrated mainly on ThyssenKrupp AG and specific financing companies. We use the cash pooling system to allocate resources to Group companies internally according to requirements.

Market risk: Various measures are used to mitigate or eliminate the risk of fluctuations in the fair values or future cash flows from financial instruments due to market changes. These mainly include off-exchange-traded foreign currency forward contracts, interest rate swaps, interest-rate/foreign currency swaps and commodity forward contracts with banks and commercial partners. To hedge against commodity price risks we also use exchange-traded futures. The use of derivative financial instruments is extensively monitored, with checks being carried out on the basis of policies in the framework of regular reporting.

Currency risk: To contain the risks of our numerous payment flows in different currencies – in particular in US dollars – we have developed Groupwide policies for foreign currency management. All companies of the Group are required to hedge foreign currency positions at the time of their inception; companies based in the euro zone hedge via our central clearing office. Translation risks arising from the conversion of foreign currency positions are generally not hedged.

Interest rate risk: To cover our capital requirements, we procured funds on the international money and capital markets in different currencies and with various maturities. The resulting financial liabilities and our financial investments are partially exposed to risks from changing interest rates. To manage these risks, regular interest rate risk analyses are prepared, the results of which feed into our risk management system.

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Provisions are recognized for risks from portfolio optimization measures where necessary.

Risks associated with disposals, acquisitions and restructurings

In the past fiscal year portfolio optimization was of major importance to ThyssenKrupp. Active portfolio management continues to be a key element of our corporate development and also involves risks in execution. We constantly monitor and if necessary recognize provisions for risks associated with the disposal or acquisition of companies, business activities and real estate and with restructurings.

Order risks

The handling of major orders for our customers is often characterized by a high degree of complexity and long project lead times, as a result of which cost overruns and/or schedule delays can occur. We counter these risks by carefully selecting experienced project managers and using management instruments which we continuously improve. After carefully selecting our customers we ensure that progress payments are made and the risk of default minimized.

Sales risks

With its global business activities, ThyssenKrupp is dependent on the international economic situation. The debt crisis in some euro zone countries, the uncertainties on the financial markets and the crisis threatening the global economy signify risks for our sales markets; we monitor these closely so as to be able to respond quickly if necessary. For this we have a package of measures at our disposal, including prompt adjustment of our capacities.

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Operating internationally as an industrial group with multi-layered product and customer structures, we are largely independent of regional crises on our sales markets. ThyssenKrupp's effective receivables management system counters the risk of bad debt. More details on sales risks are provided in the section headed “Specific risks for our operations”.

Risks in countries with trade restrictions

Due to our global organization, ThyssenKrupp has business relationships in countries subject to trade restrictions. Since 2010 the Federal Republic of Germany, the EU and the USA, acting on the basis of UN Resolution 1929, have been expanding existing trade restrictions on the Islamic Republic of Iran to include the petroleum sector, and adding further individuals and a number of banks to the sanctions lists to prohibit business with them. Violations of the tightened trade restrictions are subject to severe penalties and could damage the Group's reputation. We have always complied scrupulously with export control regulations and in particular trade restrictions. In addition, in September 2010 we decided that ThyssenKrupp will not enter into any new transactions with Iranian customers. These measures significantly reduce the risk of a potential violation of trade restrictions.

Procurement risks

Raw materials and energy are of major importance to ThyssenKrupp. Depending on the market situation, prices for these product groups can fluctuate significantly. We contain this risk and safeguard our competitiveness by adjusting purchasing prices and securing alternative procurement sources. To make us less vulnerable to regional supply bottlenecks, we also spread our orders geographically. To hedge against raw material price swings, in particular for nickel and copper, we also use derivative financial instruments – mainly commodity forward transactions. The use of these instruments is subject to strict rules. Details of these risk areas are provided in the Notes.

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We expect the energy transition in Germany to permanently push up the price of electricity, as to increase the share of renewable energies it will be necessary, alongside the rising renewable energy surcharge, to expand the electricity grid. The considerable investment needed for this will be reflected in the price of electricity. On top of this there are cost-intensive regulatory requirements for the electricity and gas networks of our major production locations. To counter the risk of rising energy prices on the commodity markets we pursue a structured energy procurement policy. Furthermore we promote sustainable management and will continue to save energy and recycle waste in all business areas so as to prevent greenhouse gas emissions and conserve natural resources.

Regulatory risks

The legal framework at national and international level is an important factor influencing our competitiveness in individual business activities and can lead to higher costs or other disadvantages. To contain these risks we maintain close working contact with the relevant institutions to prevent distortion of competition. ThyssenKrupp participates both directly and via industry associations in the discussion process on politically desired energy price surcharges.

We may face substantial costs for emission allowances in the third trading period of the EU Emissions Trading System. As an energy-intensive group we face earnings risks if we are unable in the competitive international market to pass on to our customers all or any of the additional costs. These risks are mitigated by the emission allowances held and hedging transactions.

Environmental risks

In the production processes in our industrial plants there are process-related risks that can lead to air and water pollution. We continuously invest in sustainable environmental protection in our production operations. Our aim is to conserve resources and minimize environmental impact over the long term. Certified environmental management systems in many Group companies also help reduce the risk of environmental damage.

Some of the Group's real estate no longer used for operations is subject to risks from past pollution and mining subsidence. We contain these risks with preventive measures and scheduled remediation work, and recognize adequate provisions for this in our real estate area.

Legal risks associated with third-party claims

Claims against our Group companies can result in legal risks. In the associated legal proceedings ThyssenKrupp is represented by its own experienced corporate counsel, if necessary with the additional support of external attorneys. We minimize claims for damages under product liability law through the high quality of our products.

When contractual partners assert claims against ThyssenKrupp under plant construction, supply and service contracts, we examine the individual claims carefully and establish provisions where payment obligations are considered likely in accordance with IAS 37 and can be reliably estimated.

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Information on pending litigation and claims for damages is provided in the Notes.

Compliance risks

Our strict compliance program reduces the risk of antitrust violations and corruption at all levels of the Group. The reason for focusing our compliance program on these areas is that the potential damage, including loss of reputation, associated with these types of business crime is significantly higher than with other offenses.

Our compliance work focuses on antitrust violations and corruption.

That the focus on antitrust violations and corruption continues to be appropriate is shown by developments in the so-called rail cartel. In May 2011 the Federal Cartel Office and Bochum public prosecutor's office opened investigations into several companies in the rail sector, including ThyssenKrupp GfT Gleistechnik GmbH. ThyssenKrupp cooperated with the authorities from the outset and made available to the authorities the results of its own immediately initiated investigations. The first personnel measures were taken back in May/June 2011. The investigations and cooperation continued on an ongoing basis. As a result, further personnel measures have since been taken.

In July 2012 the Federal Cartel Office concluded the part of the proceedings concerning rail deliveries to Deutsche Bahn by issuing a fine notice. As a result ThyssenKrupp GfT Gleistechnik had to pay a fine of some €103 million. The fine was calculated taking into account among other things the sales volume and duration of the cartel and also the company's cooperation with the investigators. Ultimately the fine amount was significantly reduced as a result of the company's cooperation. For this reason, after extensive consultation and deliberation the fine was accepted without an appeal and has in the meantime been paid by ThyssenKrupp GfT Gleistechnik.

The Federal Cartel Office and public prosecutor's office have continued their investigations into further aspects of the case and into the personal responsibility of individuals involved. ThyssenKrupp GfT has recognized a provision for risks in the amount of €30 million. It is not yet foreseeable when the investigations will be completed. In this connection ThyssenKrupp is pursuing claims for damages against the employees and managers involved and in some cases labor and civil law proceedings have already been instigated. Compensation is being discussed with individual customers, including Deutsche Bahn. The claims have not yet been quantified. A reliable estimate of the financial consequences for ThyssenKrupp is not yet possible.

Claims for damages have been filed against ThyssenKrupp AG and some subsidiaries in connection with the elevator cartel. The validity of the claims is being examined.

Risks associated with information security

Our IT-based business processes are exposed to risks associated with information security. Human error, organizational and technical processes and/or security vulnerabilities in information processing can create risks that threaten the confidentiality, availability and integrity of information. For this reason we continually review our information technologies and update the systems as necessary. The IT-based integration of business processes is subject to the condition that the risks involved for our Group companies and business partners are minimized. In the reporting year we again carried out extensive measures to further improve our information security management system. The Computer Emergency Response Team (CERT) set up for the Group supports the early identification of these risks.

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Our information security management systems are regularly audited.

To enhance the sustainability of all current and future measures the Group companies are required to demonstrate the maturity levels of their established information security management systems (ISMS, to ISO/IEC27001) at regular intervals. It continues to be important to us to ensure that our employees are sufficiently aware of the risks and have maximum technical support when dealing with information relevant to business. Regular information security congresses are held at which information and experience with proactive measures to improve information security and manage risk are exchanged at international level.

Furthermore, business processes and data centers at selected Group companies have achieved security certification, documenting the standards achieved above all to our customers. In addition vulnerability analyses are carried out with the support of our IT Compliance team and external experts to verify the security of the infrastructure and if necessary increase protection.

Together with the Group's data protection officer, our experts ensure that personal data are processed only in accordance with the rules of the German Data Protection act. All these measures will allow us to continue to protect the Group's business data as well as the privacy of our business associates and employees and to respond appropriately to potential new risks.

Risks associated with pensions and healthcare obligations

The fund assets used to cover pension liabilities are exposed to capital market risks. To minimize these risks, the individual investment forms are selected and weighted on the basis of studies by independent experts. The aim is to adjust the investments to ensure that the associated pension liabilities are permanently fulfilled in respect of the current and future income from the investments. Pension obligations are subject to risks from increased life expectancies of beneficiaries and from obligations to adjust pension amounts on a regular basis. In addition, the cost of healthcare obligations in the USA may increase. Furthermore, in some countries there is a risk of significantly higher payments having to be made to pension funds in the future due to stricter statutory requirements. In individual cases, the premature cancellation of a pension plan may necessitate an additional allocation.

Personnel risks

Our committed staff and managers are of immense importance to the success of the Company. There is a risk of not being able to find key personnel to fill vacancies or losing competent employees. To prevent this, we position ourselves as an attractive employer and promote the long-term retention of employees in the Group. This involves offering executives an ongoing management development program, career prospects and attractive incentives, and providing targeted mentoring for our staff. We inform interested young people about career opportunities at ThyssenKrupp from an early stage and support apprentices as they start work. We cooperate with key universities and establish contact with talented students from an early stage to secure the young people we need for our workforces.

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General economic risks

A detailed report on the general economic risks is presented under “Economic outlook”.

Specific risks for our operations

Steel Europe – Risks going forward for the business area include in particular risks on the sales and procurement markets as well as risks from exchange-rate fluctuations and emissions trading. If the economic situation deteriorates, the risk of customer insolvencies increases.

To contain the risk of cyclical demand fluctuations, the business area optimizes its costs in all areas, adjusts production promptly in response to surplus capacities, and concentrates on high-end market segments subject to lower cyclicality. The program “Best-In-Class! Reloaded” develops approaches for operational improvements taking into account the changed parameters on the European steel market. The business area manages the risk of customer insolvencies by intensively monitoring the situation, using commercial credit insurance facilities and other suitable instruments, and adjusting payment conditions. Risks related to quality and on-time delivery performance are minimized through the ongoing optimization of our value chains. The business area continues to minimize the risks caused by the intense competition on the market for carbon flat steel by using the systematic strengths of its technology expertise to differentiate itself from competitors.

Steel Europe has integrated a business and technical risk controlling system for property insurance into its risk management process. Additional investment and maintenance budgets are available to further optimize fire prevention. The risks of other business interruptions are reduced by ongoing preventive maintenance, modernization and investment. In the event of business interruptions, business continuity plans are in place which specify measures for remedying damages.

Optimizing net working capital is particularly important for Materials Services.

Materials Services – The global materials and services business is subject to cyclical swings in demand and prices on the procurement and sales markets – sometimes to a greater extent than other businesses. This has a significant impact on our net working capital. The ability to deliver goods in the shortest possible time while minimizing capital employed is a key factor in the success of our business model. We therefore continually work on optimizing our logistics and the entire value chain. Cost-reduction measures increase efficiency and profitability. Our systematic improvements to net working capital management help us effectively optimize inventories and minimize the risks of bad debt.

In addition we contain cyclical risks by our worldwide presence, broad customer base and high degree of diversification. This results in a significant spread of risks. Alongside our core markets in Europe and North America, we are also successful in growth markets such as Eastern Europe, Asia and Brazil and will continue to participate in the expansion of these regions in the future.

Elevator Technology – The risk structure of Elevator Technology is mainly determined by two factors: the different areas of business and the different regions in which the business area operates.

With regard to the business units, both the service and modernization businesses are relatively independent of the economic situation. To lessen the risk of losing maintenance units, we pursue corresponding customer retention strategies. In addition, continuous efficiency enhancement programs help offset rising personnel and procurement costs (e.g. higher fuel prices) where these cannot be passed on in full to customers.

By contrast the new installations business is exposed to cyclical risks due to its close links with the construction sector. However, longer project lead times in this business mean that downturns can be identified in good time to take countermeasures, e.g. capacity cutbacks. In addition, targeted project management measures help contain risks in the processing of major projects. Rising material prices can be largely offset by efficiency enhancement in production and an optimized purchasing strategy.

Thanks to the regional distribution of our business activities, many of the risks are balanced because the markets in which the Elevator Technology business area operates are in different growth phases. The regional positioning and associated international reach of the business activities give rise to exchange-rate risks; these are hedged as far as possible with corresponding financial instruments and additionally mitigated by settling sales and costs congruently.

However, the continuing tight global economic situation could increase the risk potential on all markets. On the one hand there are risks of bad debt and project deferrals if customers find access to financial resources restricted. On the other hand competition on all key markets is likely to grow more intense, leading to further price pressure. Elevator Technology manages these risks with professional project management and extensive customer credit screening. Customer retention management, high service quality and efficiency programs additionally help contain the risk of increasing price pressure.

Industrial Solutions – A fiercely competitive market environment, political developments in key sales regions, and the volatile price situation for raw materials can temporarily influence the project situation in the new Industrial Solutions business area. Industrial Solutions is being formed by the combination of the former Plant Technology and Marine Systems business areas effective January 01, 2013. Particularly for European customers, the currency and bank crisis is causing financing problems which can lead to project deferrals or cancellations. Specific risks from large long-term contracts and technically complex orders are contained through professional and results-oriented project and claims management, intensive project controls and increased use of project management measures. Owing to increasing investment restraint in some markets and the emergence on the markets of above all Asian competitors, prices and conditions are subject to fiercer competition on the global markets. This could impact margins on future projects.

The restructuring of our Marine activities, which was largely completed with the disposal of the civil shipbuilding operations, has significantly reduced the risks in this area. Apart from a still disputed residual purchase price receivable, the remaining risks from the yacht-building business are essentially limited to the handling of warranty claims and any remaining points. We see a limited capacity utilization risk at Kockums in the event that the Swedish government does not place the order we are expecting for the development and construction of the new type A26 submarine.

Components Technology – The business area expects continued growth on its core markets, though visibility is decreasing. To lessen the risk of dependency on individual markets, it is expanding its customer base and strengthening its international presence, especially in Asia. In addition, extensive early warning indicators are in place so that emergency measures can be taken in the event of an economic slowdown.

Price pressure is increasing in the wind energy and automotive sectors.

In the wind energy sector there are risks of slower growth as a result of cyclical demand weakness and the uncertain future of support schemes in the individual core markets. At the same time prices are coming under increasing pressure as a result of intense competition. This price pressure is also increasingly evident in the automotive components business and is being countered by the business area with extensive cost-reduction and productivity-enhancement programs.

On the procurement side there is a risk from steeply rising material prices that cannot be passed on fully or without delay to customers. We are countering this risk by framing customer contracts accordingly.

Further general risks in the business area relate to the impact of changes in exchange rates on sales and earnings. In addition, risks with unplanned impacts on earnings cannot be ruled out in association with ongoing technological innovations and improvements. On top of this there are potential risks from unexpected yield and quality problems and the associated warranty obligations. The business area uses extensive production and quality assurance systems to avoid or limit such risks as far as possible.

The sale of Steel Americas is expected to be completed by the end of 2012/2013.

Steel Americas – In the sale process for the Steel Americas business area (discontinued operation) we are assuming a realizable value of €3,850 million for the business area including minority shares. Risks from imponderabilities in connection with the negotiation process relating to the selling price are covered by opportunities. We expect to complete the sale transaction before the end of the 2012/2013 fiscal year.

We do not consider it likely that the gearing limit will be exceeded at September 30, 2013. This would only happen in the – in our opinion unlikely – event that all the Group's business areas performed negatively and at the same time the disposal transaction including receipt of payment for the Steel Americas business area were not completed until the end of the 2012/2013 fiscal year.

Until the disposal of Steel Americas is completed, the Group continues to take into account the following risks: in particular risks on the sales and procurement markets, risks from exchange rate fluctuations, and risks in connection with the ramp-up and operation of facilities and production stages.

After completion of the steel mill in Brazil and the processing facilities in Alabama, technical problems during the production ramp-up in particular of the blast furnaces in Brazil led to increased costs in the past fiscal year. In fiscal year 2012/2013 we will further optimize the facilities to rectify the technical deficiencies encountered and remove bottlenecks. Thanks to intensive controls, an established system of risk management and regular risk meetings and reports, we are able to remedy all key problems identified on the units step by step. By identifying and communicating any new challenges immediately, we can respond more efficiently.

Our efficient claims management system ensures that all claims of our contractual partners are properly handled and managed. ThyssenKrupp is involved in legal, arbitrational and out-of-court disputes in connection with the construction of the steel mill in Brazil which could lead to compensation payments. In the reporting year agreement was reached in virtually all disputes on these matters.

We limit operating risks at our Brazilian steel mill by carefully selecting and training new employees and using know-how from Steel Europe. Sales risks are reduced by increasingly accessing new market segments and strengthening sales channels through certification and longer-term contracts. Our close relationship with Vale, our partner and co-shareholder in Brazil, not only reduces procurement risks, e.g. for iron ore, but also secures distribution channels for sales of slabs.

To counter the risks of currency effects such as an increase in the value of the Brazilian real, which would negatively impact the competitiveness of our plant near Rio de Janeiro, we have introduced a wide range of measures. We are expanding sales in Brazilian currency and reducing the share of costs incurred in Brazilian currency.

Stainless Global – After the disposal planned for December 2012, ThyssenKrupp will be exposed to the risks of Stainless Global (discontinued operation) indirectly via its 29.9% shareholding in Outokumpu and the vendor loan granted in the transaction. In addition to the usual stainless steel market risks and fluctuating raw material prices, these are mainly risks associated with the existing overcapacities in Europe as well as import and price pressure from Asia.

No threat to existence of Group

Continuous and efficient risk management throughout the ThyssenKrupp Group plays a key role in ensuring that the overall risks in the Group are transparent and contained. From the current perspective there are no risks that could threaten the Group's ability to continue as a going concern. The European cartel authorities' approval of the sale of our Stainless Global operations to Outokumpu and the write-down on the Steel Americas operations have reduced the Group's remaining risk portfolio in the current fiscal year. We do not currently expect this risk assessment to change fundamentally.

Legal information

The following section mainly contains information and explanations in accordance with Art. 315 par. 4 of the German Commercial Code (HGB). This information relates to company law structures and other legal relationships; it is intended to provide a better overview of the Company and any barriers to takeover.

Corporate governance declaration

www.thyssenkrupp.com

The corporate governance statement issued in accordance with Art. 289a HGB is published on our website at www.thyssenkrupp.com/en/investor/unternehmensfuehrung_2011_2012.html. It contains a description of how the Executive Board and Supervisory Board operate, the declaration of conformity in accordance with Art. 161 Stock Corporation Act (AktG) and information on key corporate governance practices.

Compensation report

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The compensation report is included in the corporate governance report and forms part of the management report on the Group.

Disclosure of takeover provisions

The following information, valid September 30, 2012, is presented in accordance with Art. 315 par. 4 of the German Commercial Code (HGB).

Composition of capital stock

The capital stock of ThyssenKrupp AG remains unchanged at €1,317,091,952.64 and consists of 514,489,044 no-par value bearer shares. Each share carries the same rights and grants one vote at the Annual General Meeting.

Shareholdings exceeding 10% of the voting rights

There is one direct shareholding in the Company which exceeds 10% of the voting rights: The Alfried Krupp von Bohlen und Halbach Foundation, Essen has informed us that effective September 30, 2012 it holds around 25.33% of the voting rights of ThyssenKrupp AG.

Appointment and dismissal of Executive Board members, amendments to the Articles of Association

The appointment and dismissal of members of the Executive Board of ThyssenKrupp AG is subject to Arts 84, 85 German Stock Corporation Act (AktG) and Art. 31 Codetermination Act (MitbestG) in conjunction with Art. 6 of the Articles of Association. Amendments to the Articles of Association are subject to the approval of the Annual General Meeting with a majority of at least three quarters of the capital stock represented; Arts 179 ff. AktG apply. Under Art. 11 par. 9 of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association which relate only to their wording. If the authorized capital has not been used or has been only partly used by January 19, 2017, the Supervisory Board may also amend the wording of Art. 5.

Authorization of the Executive Board to issue shares

Under Art. 5 par. 5 of the Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the Company's capital stock on one or more occasions on or before January 19, 2017 by up to €500 million by issuing up to 195,312,500 new no-par value bearer shares in exchange for cash and/or contributions in kind (authorized capital).

It may exclude shareholders' subscription rights with the approval of the Supervisory Board in the following cases:

- to compensate for fractional amounts;

- where necessary to grant subscription rights for new shares to the holders of conversion and/or option rights or conversion obligations outstanding at the time the authorized capital is utilized in respect of convertible bonds and/or options already issued or to be issued in the future by the Company or its subsidiaries to the extent to which they would be eligible as shareholders after exercising the conversion and/or option rights or after fulfillment of the conversion obligations;

- in the event of capital increases against cash contributions, if the issue price of the new shares is not significantly lower than the stock market price of shares already quoted on the stock market at the time the final issue price is determined and the shares issued do not exceed altogether 10% of the capital stock either at the time this authorization becomes effective or at the time it is exercised. Counted against this limit are shares which, during the term of this authorization up to the time of their utilization, were sold or issued or are to be issued on the basis of other authorizations to the exclusion of subscription rights by direct or analogous application of Art. 186 par. 3 sentence 4 AktG;

- in the event of capital increases in exchange for contributions in kind.

The total number of shares issued in connection with capital increases against cash contributions/ contributions in kind on the basis of the aforementioned authorizations may not exceed 20% of the capital stock either at the time the authorization becomes effective or at the time it is utilized.

The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further content and the terms and conditions of the share issue.

Authorization of the Executive Board to repurchase stock

By resolution of the Annual General Meeting of January 21, 2010 the Company was authorized until January 20, 2015 to repurchase treasury shares up to a total of 10% of the capital stock at the time of the resolution of €1,317,091,952.64. The authorization may be exercised in whole or in installments, once or several times, in pursuit of one or several purposes by the Company or by third parties for the account of the Company. At the discretion of the Executive Board, the buy-back may be effected on the open market or by means of a public offer or a public invitation to tender or by means of equity derivatives (put or call options or a combination of both). The counter value per share paid by the Company (excluding incidental costs) may not be more than 5% higher or lower than the price determined on the day of trading by the opening auction in the Xetra trading system (or a comparable successor system).

If the shares are repurchased by means of a public offer or invitation to tender, the purchase price or the limits of the price range per share (excluding incidental costs) may not be more than 10% higher or lower than the average closing price in the Xetra trading system (or a comparable successor system) on the three trading days before the date of the public announcement of the offer or invitation to tender.

If, after announcement of a public offer or invitation to tender, the relevant price is subject to significant changes, the offer or invitation may be amended. In this case the price is based on the average price over the three days of trading before the public announcement of an amendment. The public offer or invitation to tender may specify further conditions. If the offer is over-subscribed or, in the case of an invitation to tender, not all of several equal offers can be accepted, they must be accepted on a quota basis. Priority may be given to small lots of up to 100 shares per shareholder.

If the shares are repurchased by means of equity derivatives, the options may only be honored with shares purchased under observance of the principle of equal treatment. The term of the options must end on January 20, 2015 at the latest. Each purchase of treasury shares by means of equity derivatives is limited to a maximum of 5% of the capital stock of the Company at the time of the resolution by the Annual General Meeting. Any right of shareholders to conclude such option transactions with the Company shall be excluded, applying Art. 186 par. 3 sentence 4 AktG.

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Repurchased shares may be used for all legally permissible purposes.

The Executive Board is authorized to use the repurchased shares for all legally permissible purposes. In particular it may cancel the shares, sell them by means other than on the open market or by offer to shareholders or sell them in exchange for a contribution in kind, use them to discharge conversion rights in respect of convertible bonds issued by the Company or the Company’s subsidiaries, and issue them to employees of the Company and affiliated companies as well as members of the management boards of affiliated companies to satisfy rights or obligations to acquire Company shares granted to the aforementioned group of people. The Supervisory Board is authorized to use the repurchased stock to satisfy rights or obligations to acquire Company shares granted to members of the Executive Board of the Company. In the latter five cases, the shareholders’ subscription rights are excluded. The Supervisory Board may determine that measures of the Executive Board regarding the purchase and use of treasury shares under this authorization are subject to its approval.

By resolution of the Annual General Meeting of January 23, 2009, the Executive Board was authorized up to January 22, 2014 to carry out the following measures with the approval of the Supervisory Board:

- to issue bearer bonds in the total par value of up to €2 billion and to grant the bond holders the right to convert the bonds into a total of up to 50 million no-par-value bearer shares of ThyssenKrupp AG with an arithmetical share in the Company’s capital stock of up to €128 million (convertible bonds);

- to exclude the shareholders’ subscription rights to convertible bonds if this is necessary (1) for fractional amounts occurring as a result of the subscription ratio, (2) insofar as the convertible bonds are issued against cash payment and the issue price for the convertible bonds is not significantly lower than the theoretical fair value calculated according to recognized financial calculation methods, or (3) to grant holders of conversion rights from previous bond issues subscription rights in the amount to which they would be entitled upon exercising their conversion rights. The conversion price for treasury shares must not be lower than 80% of the average closing price in the Xetra trading system over the three days of trading before the date of the public announcement of the offer or acceptance of a tender. The Executive Board determines the conditions for conversion bonds.

Key agreements subject to conditions

ThyssenKrupp AG is party to the following agreements that contain certain conditions in the event of a change of control as a result of a takeover bid:

- The Company has concluded an agreement with a banking consortium on a committed credit facility in the amount of €2.5 billion. This agreement can be terminated with immediate effect and outstanding loans declared due if the Company becomes a subsidiary of another legal entity or natural person and this is requested by a group of banks representing more than 50% of the credit facility. Outstanding loans would then have to be repaid immediately; the credit facility would no longer be available for new loans.

- The Company has concluded an agreement with the European Investment Bank, Luxembourg, for a development loan in the amount of €210 million. This agreement can be terminated with immediate effect if one or several entities (excluding the Alfried Krupp von Bohlen und Halbach Foundation) acting in concert gain indirect or direct control of the Company (change of control). Control is understood to mean the right to direct the management and policies of the Company through ownership of voting capital, by contract or otherwise. In the event of termination due to change of control, the loan must be repaid at a date set by the European Investment Bank, but no earlier than 30 days after termination.

- In the fiscal years 2008/2009 and 2011/2012 the Company issued bonds and a private placement in the total amount of €2.35 billion. It is also guarantor of further bonds issued in 2008/2009 by its subsidiary ThyssenKrupp Finance Nederland B.V. in the total amount of €2 billion. A change of control, i.e. the acquisition by a third party of more than 50% of the capital stock or more than 50% of the voting shares of ThyssenKrupp AG, may under certain conditions lead to early redemption of the bonds including interest.

- The Company is party to a shareholders' agreement in respect of Atlas Elektronik GmbH (joint venture) under which the co-shareholder EADS Deutschland GmbH has a call option on specific assets and liabilities of the joint venture at fair value in the event that a competitor of the joint venture or of the co-shareholder directly or indirectly acquires a controlling interest in the Company. If the call option is exercised, ThyssenKrupp Technologies AG (today operating under the name ThyssenKrupp Technologies Beteiligungen GmbH) is entitled to purchase all the co-shareholder's shares in the joint venture at fair value plus 5% premium. If the call option is not exercised, the co-shareholder has a put option in respect of the shares in the joint venture at the specified purchase price conditions.

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CONSOLIDATED FINANCIAL STATEMENTS

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ANNUAL REPORT 2011/2012

The 2011/2012 consolidated financial statements provide a comprehensive overview of the Group's financial position and results of operations. In them you will find a host of details about our performance in the reporting year.

ThyssenKrupp AG
Consolidated statement of financial position

ASSETS MILLION €

	Note	Sept. 30, 2011	Sept. 30, 2012
Intangible assets	04	4,166	4,291
Property, plant and equipment	05, 29	12,649	6,053
Investment property	06	301	283
Investments accounted for using the equity method	07	593	647
Other financial assets	11	71	85
Other non-financial assets	12	453	219
Deferred tax assets	32	940	1,479
Total non-current assets		19,173	13,057
Inventories	09	8,105	6,367
Trade accounts receivable*	10	5,138	5,126
Other financial assets*	11	499	289
Other non-financial assets	12	1,563	1,656
Current income tax assets		134	101
Cash and cash equivalents		3,230	2,221
Assets held for sale	03	5,761	9,467
Total current assets		24,430	25,227
Total assets		43,603	38,284

EQUITY AND LIABILITIES MILLION €

	Note	Sept. 30, 2011	Sept. 30, 2012
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings		2,833	(2,912)
Cumulative other comprehensive income		178	470
thereof relating to disposal groups/discontinued operations (Sept. 30, 2011: (19); Sept. 30, 2012: 190)			
Equity attributable to ThyssenKrupp AG's stockholders		9,012	3,559
Non-controlling interest		1,370	967
Total equity	13	10,382	4,526
Accrued pension and similar obligations	15	6,940	7,708
Provisions for other employee benefits*		197	235
Other provisions*	16	451	557
Deferred tax liabilities	32	324	32
Financial debt	17	6,494	5,256
Other financial liabilities	19	1	1
Other non-financial liabilities	20	7	8
Total non-current liabilities		14,414	13,797
Provisions for employee benefits*		300	276
Other provisions*	16	1,200	1,032
Current income tax liabilities		409	349
Financial debt	17	178	1,929
Trade accounts payable*	18	4,926	3,514
Other financial liabilities*	19	1,238	848
Other non-financial liabilities	20	7,332	8,099
Liabilities associated with assets held for sale	03	3,224	3,914
Total current liabilities		18,807	19,961
Total liabilities		33,221	33,758
Total equity and liabilities		43,603	38,284

See accompanying notes to the consolidated financial statements.
* Prior year figures have been adjusted.

ThyssenKrupp AG
Consolidated statement of income

MILLION €, EARNINGS PER SHARE IN €

	Note	Year ended Sept. 30, 2011*	Year ended Sept. 30, 2012
Net sales	24, 26	42,725	40,124
Cost of sales*	04, 05	(35,377)	(34,344)
Gross margin*		7,348	5,780
Research and development cost*		(208)	(222)
Selling expenses		(2,628)	(2,698)
General and administrative expenses		(1,944)	(2,032)
Other income*	27	381	200
Other expenses*	04, 28	(96)	(467)
Other gains/(losses), net*	29	(27)	376
Income/(loss) from operations		2,826	937
Income from companies accounted for using the equity method		71	42
Finance income*		554	679
Finance expenses*		(1,157)	(1,343)
Financial income/(expense), net	31	(532)	(622)
Income/(loss) from continuing operations before income taxes		2,294	315
Income tax (expense)/income	32	(502)	(427)
Income/(loss) from continuing operations (net of tax)		1,792	(112)
Discontinued operations (net of tax)	03	(3,575)	(4,930)
Net loss		(1,783)	(5,042)
Thereof:			
ThyssenKrupp AG's stockholders		(1,291)	(4,668)
Non-controlling interest		(492)	(374)
Net loss		(1,783)	(5,042)
Basic and diluted earnings per share based on	33		
Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders)		3.57	(0.38)
Net loss (attributable to ThyssenKrupp AG's stockholders)		(2.71)	(9.07)

See accompanying notes to the consolidated financial statements.
* Prior year figures have been adjusted (see in particular Note 3).

ThyssenKrupp AG
Consolidated statement of comprehensive income

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Net loss	(1,783)	(5,042)
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	67	323
Net realized (gains)/losses	(17)	12
Net unrealized gains/(losses)	50	335
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized gains/(losses), net	(4)	9
Net realized (gains)/losses	0	0
Tax effect	0	(4)
Net unrealized gains/(losses)	(4)	5
Actuarial gains/(losses) from pensions and similar obligations		
Change in actuarial gains/(losses), net	538	(1,198)
Tax effect	(150)	362
Net actuarial gains/(losses) from pensions and similar obligations	388	(836)
Gains/(losses) resulting from asset ceiling		
Change in gains/(losses), net	24	2
Tax effect	(7)	0
Net gains/(losses) resulting from asset ceiling	17	2
Unrealized (losses)/gains on derivative financial instruments		
Change in unrealized gains/(losses), net	(12)	18
Net realized (gains)/losses	(91)	(62)
Tax effect	20	26
Net unrealized gains/(losses)	(83)	(18)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	7	2
Other comprehensive income	375	(510)
Total comprehensive income	(1,408)	(5,552)
Attributable to:		
ThyssenKrupp AG's stockholders	(913)	(5,209)
Non-controlling interest	(495)	(343)
Cumulative actuarial gains/(losses) from pensions and similar obligations as of year-end	(846)	(1,959)

See accompanying notes to the consolidated financial statements.

ThyssenKrupp AG
Consolidated statement of changes in equity

MILLION € (EXCEPT NUMBER OF SHARES)

		Equity attributable to ThyssenKrupp AG's stockholders										
					Cumulative other comprehensive income							
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments	Share of investments accounted for using the equity method	Treasury stock	Total	Non-controlling interest	Total equity
Balance as of Sept. 30, 2010	464,394,337	1,317	4,684	3,703	127	5	50	10	(1,396)	8,500	1,888	10,388
Net loss				(1,291)						(1,291)	(492)	(1,783)
Other comprehensive income				392	43	(3)	(72)	18		378	(3)	375
Total comprehensive income				(899)	43	(3)	(72)	18		(913)	(495)	(1,408)
Profit attributable to non-controlling interest										0	(43)	(43)
Dividend payment				(209)						(209)	0	(209)
Treasury stock sold	50,094,707			93					1,549	1,642	0	1,642
Tax effects on income and expense directly recognized in equity				153					(153)	0	0	0
Other changes				(8)						(8)	20	12
Balance as of Sept. 30, 2011	514,489,044	1,317	4,684	2,833	170	2	(22)	28	0	9,012	1,370	10,382
Net loss				(4,668)						(4,668)	(374)	(5,042)
Other comprehensive income				(833)	293	5	(10)	4		(541)	31	(510)
Total comprehensive income				(5,501)	293	5	(10)	4		(5,209)	(343)	(5,552)
Profit attributable to non-controlling interest										0	(61)	(61)
Dividend payment				(232)						(232)	0	(232)
Other changes				(12)						(12)	1	(11)
Balance as of Sept. 30, 2012	514,489,044	1,317	4,684	(2,912)	463	7	(32)	32	0	3,559	967	4,526

See accompanying notes to the consolidated financial statements.

ThyssenKrupp AG
Consolidated statement of cash flows

MILLION €

	Year ended Sept. 30, 2011*	Year ended Sept. 30, 2012
Net loss	(1,783)	(5,042)
Adjustments to reconcile net loss to operating cash flows:		
Discontinued operations (net of tax)	3,575	4,930
Deferred income taxes, net	(50)	(437)
Depreciation, amortization and impairment of non-current assets	1,208	1,461
Reversals of impairment losses of non-current assets	(60)	(4)
(Income)/loss from companies accounted for using the equity method, net of dividends received	(64)	(38)
(Gain)/loss on disposal of non-current assets	21	(390)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
- inventories	(993)	342
- trade accounts receivable	(27)	(445)
- accrued pension and similar obligations	(348)	(174)
- other provisions	(228)	(17)
- trade accounts payable	504	(780)
- other assets/liabilities not related to investing or financing activities	506	662
Operating cash flows - continuing operations	2,261	68
Operating cash flows - discontinued operations	(1,485)	(454)
Operating cash flows - total	776	(386)
Purchase of investments accounted for using the equity method and non-current financial assets	(26)	(44)
Expenditures for acquisitions of consolidated companies net of cash acquired	(83)	(53)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(955)	(1,051)
Capital expenditures for intangible assets (inclusive of advance payments)	(72)	(137)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	10	6
Proceeds from disposals of previously consolidated companies net of cash disposed	267	787
Proceeds from disposals of property, plant and equipment and investment property	58	50
Proceeds from disposals of intangible assets	8	9
Cash flows from investing activities - continuing operations	(793)	(433)
Cash flows from investing activities - discontinued operations	(1,554)	(917)
Cash flows from investing activities - total	(2,347)	(1,350)
Proceeds from issuance of bonds	0	1,250
Repayment of bonds	(750)	0
Proceeds from liabilities to financial institutions	1,676	2,959
Repayments of liabilities to financial institutions	(1,570)	(3,189)
Proceeds from notes payable and other loans	205	96
Decrease in bills of exchange	(6)	(1)
Decrease in current securities	2	0
Proceeds from non-controlling interest to equity	4	0
Proceeds from treasury shares sold	1,631	0
Payment of ThyssenKrupp AG dividend	(209)	(232)
Profit attributable to non-controlling interest	(43)	(61)
Expenditures for acquisitions of shares of already consolidated companies	(8)	(17)
Financing of discontinued operations	(2,618)	(1,461)
Other financing activities	185	(102)
Cash flows from financing activities - continuing operations	(1,501)	(758)
Cash flows from financing activities - discontinued operations	3,028	1,256
Cash flows from financing activities - total	1,527	498
Net decrease in cash and cash equivalents - total	(44)	(1,238)
Effect of exchange rate changes on cash and cash equivalents	(61)	17
Cash and cash equivalents at beginning of year	3,673	3,568
Cash and cash equivalents at end of year - total	3,568	2,347
[thereof cash and cash equivalents within the disposal groups]	[273]	[13]
[thereof cash and cash equivalents within the discontinued operations]	[220]	[113]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:		
Interest received	154	141
Interest paid	(485)	(460)
Dividends received	23	45
Income taxes paid	(581)	(344)

See Note 35 to the consolidated financial statements.
* Prior year figures have been adjusted (see Note 3).

ThyssenKrupp AG
Notes to the consolidated financial statements

Corporate Information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The consolidated financial statements of ThyssenKrupp AG and its subsidiaries, collectively the “Group”, for the year ended September 30, 2012, were authorized for issuance in accordance with a resolution of the Executive Board on December 10, 2012.

Statement of compliance

Applying Art. 315a of the German Commercial Code (HGB), the Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations of the International Accounting Standards Board (IASB) effective within the EU in accordance with the Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards.

01 Summary of significant accounting policies

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are stated at fair value. The consolidated financial statements are presented in Euros since this is the currency in which the majority of the Group’s transactions are denominated, with all amounts rounded to the nearest million except when otherwise indicated; this may result in differences compared to the unrounded figures.

Consolidation

The Group’s consolidated financial statements include the accounts of ThyssenKrupp AG and all significant entities which are directly or indirectly controlled by ThyssenKrupp AG. Control is achieved where ThyssenKrupp AG possesses more than half of the voting rights of a company or has in another way the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority’s proportion of the fair values of the identifiable assets, liabilities and contingent liabilities recognized.

All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

Included in the Group consolidated financial statements are 167 (2010/2011: 181) domestic and 451 (2010/2011: 485) foreign-controlled entities that are consolidated. During the fiscal year 2011/2012, 24 entities were consolidated for the first time. During the same period, the scope of consolidation was reduced by 72 entities of which 17 resulted from the internal merging of Group entities.

18 (2010/2011: 21) controlled subsidiaries are not consolidated because their combined influence on the Group’s net assets, financial position and results of operations is not material. Their net sales amount to 0.02%, their income/(loss) before tax amounts to 0.01% and their total equity amounts to 0.08% of the Group’s respective balances inclusive of discontinued operations. These non-consolidated subsidiaries are measured at fair value or at cost when the fair value of unlisted equity instruments cannot be reliably measured; they are presented under the “Other financial assets, non-current” line item.

Investments in associates are accounted for using the equity method of accounting. An associate is an entity over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policies. Significant influence is presumed when the Group holds 20% or more of the voting rights (“Associated Companies”). Where a Group entity transacts with an associate of the Group, unrealized profits and losses are eliminated to the extent of the Group’s interest in the relevant associate.

The Group reports its interests in jointly-controlled entities (Joint Ventures) using the equity method of accounting. Where the Group transacts with its jointly-controlled entities, unrealized profits and losses are eliminated to the extent of the Group’s interest in the joint venture.

The Group has 11 (2010/2011: 12) Associated Companies and 22 (2010/2011: 21) Joint Ventures that are accounted for using the equity method of accounting. Another 14 (2010/2011: 21) Associated Companies are measured at fair value or at cost when the fair value of unlisted equity instruments cannot be reliably measured because their combined influence on the Group’s net assets, financial position and results of operations is not material.; they are presented under the “Other financial assets, non-current” line item. The income before tax of the immaterial Associated Companies amounts to 0.05% and their total equity to 0.22% of the Group’s respective balances inclusive of discontinued operations.

A complete listing of the Group's subsidiaries and equity interests is presented in Note 39.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Goodwill is recognized as an asset and is tested for impairment annually, or on such other occasions that events or changes in circumstances indicate that it might be impaired.

Goodwill arising on the acquisition of an associate or a jointly-controlled entity is included within the carrying amount of the associate or the jointly-controlled entity, respectively. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly-controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Foreign currency translation

The functional and reporting currency of ThyssenKrupp AG and its relevant European subsidiaries is the Euro (€). Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the net profit or loss for the period.

Financial statements of the foreign subsidiaries included in the Group consolidated financial statements where the functional currency is other than the Euro are translated using their functional currency which is generally the respective local currency. The translation is performed using the current rate method, in which balance sheet amounts are translated to the reporting currency using the rates of exchange prevailing on the balance sheet date, while income statement amounts are translated using the period's average exchange rates. Net exchange gains or losses resulting from the translation of foreign financial statements are accumulated and included in equity. Such translation differences are recognized as income or as expenses in the period in which the operation is disposed of.

Companies that manage their sales, purchases, and financing substantially not in their local currency use the currency of their primary economic environment as their functional currency. Using the functional currency in these cases involves translating non-monetary items such as non-current assets, including scheduled depreciation, and equity to the functional currency using the average exchange rates of the respective year of addition. All other balance sheet line items are translated using the exchange rate as of the balance sheet date and all other income statement line items are translated using the period's average exchange rates. The resulting translation differences are included in the consolidated statement of income as "Other operating income or expenses". Thereafter, the functional currency financial statements are translated into the reporting currency using the current rate method.

The exchange rates of those currencies significant to the Group have developed as follows:

CURRENCIES

	Exchange rate as of (Basis €1)		Annual average exchange rate for the year ended	
	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012
US Dollar	1.35	1.29	1.40	1.30
Brazilian Real	2.51	2.62	2.30	2.45
Chinese Renminbi Yuan	8.61	8.13	9.12	8.23

Intangible assets

Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis generally over a period of 3 to 15 years, depending on their estimated useful lives. Technology resulting from the acquisition of Howaldtswerke-Deutsche Werft (HDW) is amortized over a period of 40 years. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis. The amortization expense of intangible assets is primarily included in the "cost of sales" line item in the consolidated statement of income.

Goodwill is stated at cost and tested for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Goodwill impairment losses are included in other operating expenses.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation. Capitalized production costs for self constructed assets include costs of material, direct labour, and allocable material and manufacturing overhead. Borrowing costs directly attributable to the production of assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs (day-to-day servicing) are expensed as incurred. The Group recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing parts and major inspection of such an item if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Where fixtures and equipment comprise of significant parts having different useful lives those parts are accounted for as separate units and depreciated accordingly.

Fixtures and equipment are depreciated over the customary useful life using the straight-line method. Upon sale or retirement, the acquisition or production cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the consolidated statement of income.

The following useful lives are used as a basis for calculating depreciation:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

Buildings (incl. investment property)	10 to 50 years
Building and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Factory and office equipment	3 to 10 years

Investment property

Investment property consists of investments in land and buildings that are held to earn rental income or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. Investment property is stated at cost less accumulated depreciation. The fair value of the Group's investment property is stated in Note 06.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets, property, plant and equipment and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the greater of the fair value less cost to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Goodwill arising on acquisition is allocated to the Cash Generating Units that are expected to benefit from the synergies of the acquisition. Those groups of Cash Generating Units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of the Cash Generating Unit that carries a goodwill is tested for impairment annually as of September 30, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For more details refer to Note 04.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

In case of impairment losses related to Cash Generating Units that carry a goodwill the carrying amount of any goodwill allocated to the Cash Generating Unit is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is generally allocated proportionally to the remaining non-current assets of the Cash Generating Unit to reduce their carrying amounts accordingly.

Where an impairment loss subsequently reverses, the carrying amount of the asset (Cash Generating Unit) is increased to the revised estimate of its recoverable amount. The revised amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (Cash Generating Unit) in prior years. A reversal of an impairment loss is recognized as income immediately. However, impairment losses of goodwill may not be reversed.

Leases

Leases are classified as either finance or operating. Lease transactions whereby the Group is the lessee and bears substantially all the risks and rewards incidental to ownership of an asset are accounted for as a finance lease. Accordingly, the Group capitalizes the leased asset at the lower of the fair value or the present value of the minimum lease payments and subsequently depreciates the leased asset over the shorter of the lease term and its useful life. In addition, the Group records a corresponding lease obligation on the balance sheet which is subsequently settled and carried forward using the effective interest method. All other lease agreements entered into by the Group, as a lessee, are accounted for as operating leases whereby the lease payments are expensed on a straight-line basis.

Lease transactions whereby the Group is the lessor and transfers substantially all of the benefits and risks incident to the ownership of property, are accounted for as a sale and financing of the leased asset. The Group recognizes a receivable at an amount equal to the net investment in the lease and includes interest income in the consolidated income statement. All other lease agreements entered into by the Group, as a lessor, are accounted for as operating leases whereby the leased asset remains on the Group's balance sheet and is depreciated. Scheduled lease payments are recognized in income on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of acquisition/manufacturing cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. In general, inventories are valued using the average cost method. Manufacturing cost includes direct material, labor and allocable material and manufacturing overhead based on normal operating capacity.

Financial instruments

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as ThyssenKrupp becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, the settlement date is used for initial recognition or derecognition. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

Determining fair value

The fair value of financial instruments is generally equal to the amount the Group would receive or pay if it exchanged or settled the financial instruments on the balance sheet date. If available, quoted market prices are used for financial instruments, especially for those categorized as available-for-sale financial assets. Otherwise, fair values are calculated based on the market conditions prevailing on the balance sheet date – interest rates, exchange rates, commodity prices – using middle rates or prices. In doing so, fair values are calculated using common methods, such as the option pricing models for currency and interest rate options or the discounted cash flow method for interest rate swaps. The fair values of some derivatives are based on external valuations by our financial partners.

Financial assets

In particular, financial assets include trade accounts receivable, cash and cash equivalents, derivative financial assets, as well as equity instruments and bonds held. Financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not carried at fair value through profit or loss in future periods. The fair values recognized on the balance sheet usually reflect the market prices of the financial assets.

Trade accounts receivable and other current receivables

Receivables are accounted for at amortized cost less valuation allowances.

Impairments in the form of individual allowances for doubtful accounts adequately consider default risk. When there is objective evidence of default, the receivable concerned is derecognized. Receivables that are immaterial, and receivables of similar default risk, are grouped together and tested collectively for impairment based on past experience. Partially, impairments are accounted for using separate allowance accounts. Whether default risk is recognized by means of an allowance account or a direct derecognition of the receivable depends on the probability of default and the reliability of its estimation.

Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

The Group sells undivided interests in certain trade accounts and notes receivable both on an ongoing and one-time basis to special purpose entities, which are not required to be consolidated, or to other lending institutions. Financial assets sold under these arrangements are excluded from accounts receivable in the Group's balance sheet at the time of sale if it is assured that the cash flows related to those receivables will be passed through to the acquirer and substantially all risks and rewards have been transferred. If substantially all risks and rewards have neither been transferred nor retained, financial assets are excluded from the books at the time of the sale if it is assured that the cash flows of the receivables will be passed through to the acquirer and the acquirer has gained control over the receivables. If substantially all risks and rewards have been retained financial assets remain in the Group's balance sheet as collateral for borrowings.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits as well as financial assets that are readily convertible to cash and which are only subject to an insignificant risk of change in value, they are measured at amortized cost.

Financial assets held for trading

Derivatives that are not part of an effective hedge accounting in accordance with IAS 39 must be assigned to this category when the fair value is positive as of measurement date. Gains or losses resulting from changes in fair value are recognized in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets not assigned to any of the above categories (trade accounts receivable and other current receivables, cash and cash equivalents, and financial assets held for trading). This category includes primarily equity and debt instruments which are in general measured at fair value. Gains or losses resulting from the measurement of available-for-sale financial assets are recognized directly in equity, with the exception of impairment losses and foreign currency conversion effects. On disposal of these financial assets, a cumulative gain or loss recognized directly in equity until then is recognized in profit or loss of the respective period. When the fair value of unlisted equity instruments cannot be reliably measured, they are measured at cost.

Financial assets measured at fair value through profit or loss

The Group does not use the option to categorize financial assets at fair value through profit or loss when initially recognized.

Impairment of financial assets

At each balance sheet date, an assessment is made of whether there is any objective evidence that the carrying amounts of financial assets not carried at fair value through profit or loss are impaired. Objective evidence includes, for example, considerable financial difficulty of the debtor obligor, disappearance of an active market, and significant changes in the technological, market, economic or legal environment. A significant or prolonged decline in the fair value of an equity instrument is an objective evidence of impairment.

The impairment loss on a financial asset carried at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. An impairment loss is recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

If the decrease in fair value of an available-for-sale financial asset was previously recognized directly in equity, such loss is transferred from equity to profit or loss as soon as an objective evidence of an impairment loss exists. The amount of the impairment represents the difference between historical cost (less any redemption and amortization) and the current fair value less any impairment loss on that financial asset previously recognized in profit or loss. Impairment losses on equity instruments classified as available-for-sale and recognized in the income statement are not reversed through profit or loss, but rather through equity. The amount of any reversal of any write-down of debt instruments, which objectively occurred after the impairment was recognized, is recognized in profit or loss.

Financial liabilities

Financial liabilities are liabilities that must be settled in cash or other financial assets. These especially include trade accounts payable, derivative financial liabilities and components of financial debt, mainly bonds and other securitized liabilities, liabilities to financial institutions and finance lease liabilities. Financial liabilities are initially carried at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in future periods.

Trade accounts payable and other non-derivative financial liabilities

Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued and increase the liabilities' carrying amounts unless they have already been settled in the period in which they were incurred.

Financial liabilities carried at fair value through profit or loss

The Group does not use the option to categorize financial liabilities at fair value through profit or loss when initially recognized.

Financial liabilities held for trading

Derivatives that are not part of an effective hedge accounting in accordance with IAS 39 must be classified as "held for trading" and thus carried at fair value through profit or loss. In the event of negative fair values, such derivatives are recognized as "financial liabilities held for trading".

Derivative financial instruments

The Group generally uses derivative financial instruments to hedge its exposure to foreign currency exchange rate, interest rate and commodity price risks arising from operational, financing and investment activities. Derivatives are used generally to hedge existing or anticipated underlying transactions. Such derivatives and so-called "embedded derivatives", which are an integral part of a non-derivative host contract and must be accounted for separately, are measured initially and subsequently at fair value through profit or loss. Gains or losses due to fluctuations in fair value are recognized immediately in profit or loss.

If derivatives are used to hedge the exposure to variability in cash flows and to hedge balance sheet items, the hedging relationship qualifies for hedge accounting under IAS 39 if certain conditions are met. This can reduce volatility in the income statement. There are three types of hedging relationships: fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

In a fair value hedge, which is a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, the hedging instrument is stated at fair value and any changes in fair value are immediately recognized in profit or loss. Changes in fair value of a hedged asset, liability or firm commitment, which are attributable to a particular hedged risk, are also recognized in profit or loss. Given a perfect hedge, changes in fair value of the underlying and hedging transactions are almost entirely offset. If the asset or liability is measured at amortized cost according to general accounting guidelines, its carrying amount must be adjusted for the cumulative changes in fair value resulting from the hedged risk. However, if the hedged item (e.g. available-for-sale security) is recognized at fair value without influencing the income statement in accordance with the general accounting guidelines, changes in fair value resulting from the hedged risk are recognized in profit or loss, contrary to the general guidelines.

A cash flow hedge is a hedge of the exposure to variability in cash flows associated with a recognized asset or liability, a highly probable forecast transaction, or foreign currency risk of a firm commitment. The effective portion of the fluctuations in fair value is immediately recognized in equity. The effective portion is reclassified from equity to profit or loss in the same period during which the hedged underlying transaction affects profit or loss. If a hedge subsequently results in the recognition of a non-financial asset (e.g. property, plant and equipment or inventories), then the fluctuations in fair value that were recognized in equity affect the value of the non-financial asset. When measuring the effectiveness between the underlying hedged transaction and the hedging instrument the remaining ineffective portion of the hedge and adjustments due to interest rate changes are immediately recognized in the consolidated statement of income. In the case of currency risks, the effectiveness of the hedging relationship is established by including changes in value due to spot rate changes as a hedged risk and excluding the interest component.

When the hedging instrument expires or is sold, terminated or exercised, or the hedging relationship is discontinued, but the forecast underlying transaction is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognized in equity remains separately in equity until the forecast transaction occurs. It is recognized in profit or loss as detailed above when the transaction affects the income statement. If the hedged forecast transaction is no longer expected to occur, any related cumulative unrealized gain or loss recognized in equity is recognized immediately in the consolidated statement of income.

The Group mainly uses cash flow hedges to hedge its exposure to changes in foreign currency rates, interest rates and commodity prices. In addition, the Group carries out hedging in accordance with the basic principles of risk management under which existing risks are hedged economically, but the hedges do not comply with the strict hedge accounting requirements under IAS 39. The Group does not use hedge accounting for foreign currency derivatives that have been concluded to hedge foreign currency risks arising from monetary balance sheet items. Thus, the effects from the foreign currency conversion of balance sheet items recognized in profit or loss are offset against the fluctuations in fair value of derivatives, which are also recognized in profit or loss.

Currently, the Group does not apply hedging of a net investment in a foreign operation.

More information about financial instruments is provided in Note 22.

Deferred income taxes

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recognized directly in equity.

Cumulative other comprehensive income

The equity line item “Cumulative other comprehensive income” includes changes in the equity of the Group that were not recognized in the consolidated statement of income of the period, except those resulting from investments by owners and distributions to owners. Cumulative other comprehensive income includes foreign currency translation adjustments, unrealized holding gains and losses on available-for-sale financial assets and on derivative financial instruments as well as the share of the other comprehensive income of associates and joint ventures accounted for using the equity method. Actuarial gains and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Accrued pension and similar obligations

The Group’s net obligation for defined benefit and other postretirement benefit plans have been calculated for each plan using the projected unit credit method as of the balance sheet date. A quarterly valuation of pensions and health care obligations is performed on the basis of updated interest rates and fair values of plan assets.

All actuarial gains and losses as of October 01, 2004, the date of transition to IFRS, were recognized in equity. Actuarial gains and losses that arise subsequent to October 01, 2004, as well as gains and losses resulting from asset ceiling are recognized directly in equity and presented in the statement of comprehensive income.

As far as the fair value of plan assets related to pensions or similar obligations exceeds the corresponding obligation, the recognition of an asset in respect to such surplus is limited. As far as in connection with plan assets minimum funding requirements related to past service exist, an additional liability may need to be recognized in case the economic benefit of a surplus – already taking into account the contributions to be made in respect of the minimum funding requirements – is limited. The limit is determined by unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan (asset ceiling).

Service cost for pensions and other postretirement obligations are recognized as an expense in income from operations, while interest cost and the expected return on plan assets recognized as components of net periodic pension cost are included in net financial income/(expense) in the Group's consolidated statement of income. When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognized as an expense in income from operations on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately.

The Group's obligations for contributions to defined contribution plans are recognized as expense in income from operations as incurred.

The Group also maintains multi-employer plans. In principle, these multi-employer plans contain defined benefit plans as well as defined contribution plans. With respect to defined benefit multi-employer plans these are accounted for in the same way as any other defined benefit plan in case the required information is available. Otherwise these plans are accounted for as defined contribution plans.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated. The amount recognized represents best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements of third parties are not offset but recorded as a separate asset if it is virtually certain that the reimbursements will be received. Where the effect of the time value of money is material, provisions are discounted using a market rate.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring and has notified the affected parties.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Share-based compensation

The Group has management incentive plans which grant stock rights to executive and senior employees. The fair value of these rights is calculated on the date of grant and recognized as an expense on a straight-line basis over the vesting period with a corresponding increase in provisions. Furthermore a portion of the variable compensation is granted as share appreciation rights to the Executive Board members of ThyssenKrupp AG and additional selected executive employees. For both types of compensation, the provision is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the provision are recognized as part of income from operations.

See also information provided in Note 14.

Revenue recognition

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue can be measured reliably. Revenue from services is recognized when services are rendered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue is recognized net of applicable provisions for discounts and allowances.

Construction contract revenue and expense are accounted for using the percentage-of-completion method, which recognizes revenue as performance of the contract progresses. The contract progress is determined based on the percentage of costs incurred to date to total estimated cost for each contract after giving effect to the most recent estimates of total cost. If the construction takes a substantial period of time, contract costs also include borrowing costs that are directly attributable.

Contracts where the Group provides engineering services are also accounted for like construction contracts. Construction contracts under the percentage-of-completion method are measured at construction cost plus profits earned based on the percentage of the contract completed.

Revenues net of advance payments received are recognized as trade accounts receivable in the balance sheet. Variations in contract work and claims are included to the extent that it is probable that they will be approved by the customer and the amount can be reliably measured. Reliably measurable incentive payments are recognized if it is probable that the specified performance standards will be met or exceeded.

Where the income of a construction contract cannot be estimated reliably, contract revenue that is probable to be recovered is recognized to the extent of contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred.

Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenues from contracts with multiple element arrangements, such as those including both goods and services, are recognized as each element is earned based on objective evidence of the relative fair value of each element.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable. Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Government grants

Government grants are recognized only if there is reasonable assurance that the associated conditions will be met and the grants will be received. Grants related to assets are reported as a reduction of cost of the assets concerned with a corresponding reduction of depreciation and amortization in subsequent periods. Grants related to income are stated as other operating income in the periods in which the expenses intended to be compensated by the grant are recognized.

Research and development costs

Research costs are expensed as incurred.

Development costs, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, are capitalized if the product or process is technically and commercially feasible, it is intented to complete the intangible asset, there is a market for the output of the intangible asset, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development. Other development costs are expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization. Costs include direct costs of material, direct labour, and allocable material and manufacturing overhead. Borrowing costs directly attributable to a production of assets that necessarily takes a substantial period of time to get the assets ready for their intended use, are included in the cost of those assets until the assets are ready for their intended use. Administrative costs are capitalized only if such costs are directly related to production. Capitalized development costs of projects not yet completed are reviewed for impairment annually or more frequently when an indicator of impairment arises during the reporting year.

Earnings per share

Basic earnings per share amounts are calculated by dividing net income/(loss) attributable to ThyssenKrupp AG's shareholders by the weighted average number of shares outstanding. Shares sold during the period and shares reacquired during the period are weighted for the portion of the period that they were outstanding. There were no dilutive securities in the periods presented.

Segment reporting

In accordance with the so-called management approach, segment reporting of the ThyssenKrupp Group is based on the internal organizational and reporting structure. The data used to determine the internal key figures are derived from the IFRS consolidated financial statements.

Single assets held for sale, disposal groups and discontinued operations

A single non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group reports assets and liabilities as a disposal group, that will be disposed of by sale or otherwise in a single transaction, which collectively meet the held for sale criteria as specified in IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. The Group reports the assets and liabilities of a disposal group separately in the balance sheet line item “assets held for sale/disposal” and “liabilities associated with assets held for sale/disposal”, respectively. Unless a disposal group qualifies for discontinued operations reporting, the revenues and expenses of the disposal group remain within continuing operations until the date of disposal. The Group reports the results of a disposal group that also qualifies as a component of the Group as discontinued operations if it represents a separate major line of business or geographical area of operations. The Group reports the results of discontinued operations in the period in which they occur separately within the consolidated statement of income as “discontinued operations (net of tax)”. All prior period consolidated statements of income are adjusted to report the results of the component within discontinued operations. In the consolidated statement of cash flows the cash flows resulting from discontinued operations are presented separately from cash flows resulting from continuing operations; prior year presentation has been adjusted accordingly. In order to present the proportion of income/loss attributable to discontinued operations, net sales and expenses arising from intercompany transactions are recognized provided that these transactions will not continue after the disposal of the discontinued operations.

On initial classification as held for sale, non-current assets are recognized at the lower of the carrying amount and fair value less costs to sell and depreciation and amortization ceases. A disposal group is initially measured in line with the respective IFRS standards to determine the carrying amount of the disposal group which is then compared to the fair value less costs to sell of the group in order to recognize the group at the lower of both amounts. Impairment losses on initial classification as held for sale are included in profit or loss, as are gains and losses on subsequent remeasurement, but not in excess of the cumulative impairment loss.

Financial statement classification

Certain line items on the consolidated balance sheet and in the consolidated statement of income have been combined. These items are disclosed separately in the Notes to the consolidated financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. Changes on the classification of the consolidated balance sheet and of the consolidated statement of income have been made to increase the clarity of the presentation.

In general the Group classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date. Group companies that have operating cycles longer than twelve months classify assets and liabilities as current if they are expected to be realized within the company’s normal operating cycle.

Use of estimates

The preparation of the Group consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting estimates and judgements made by Management in the application of IFRS that have a significant effect on the consolidated financial statements are presented in Note 25.

Recently adopted accounting standards

In fiscal year 2011/2012, ThyssenKrupp adopted the following standards, interpretations and amendments to already existing standards:

In November 2009 the IASB issued a revised version of IAS 24 “Related Party Disclosures”. The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted. The adoption of the amended standard did not have a material impact on the Group’s consolidated financial statements.

In November 2009 the IASB issued an amendment to IFRIC 14, which is itself an interpretation of IAS 19 “Employee Benefits”, titled “Prepayments of a Minimum Funding Requirement”. The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The application of the amended interpretation is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted for 2009 year-end financial statements. The adoption of the interpretation did not have a material impact on the Group’s consolidated financial statements.

In May 2010 the IASB issued the third omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts six standards and one interpretation. Unless otherwise specified, the amendments are effective for fiscal years beginning on or after January 01, 2011, while earlier application is permitted. The adoption of the amended standards and interpretation did not have a material impact on the Group’s consolidated financial statements.

In October 2010 the IASB issued amendments to IFRS 7 “Financial Instruments: Disclosures”. The amendments will allow users of financial statements to improve the understanding of transfer transactions of financial assets. The application of the amendments is compulsory for fiscal years beginning on or after July 01, 2011, while earlier application is permitted. In the year of adoption comparative disclosure is not required. The adoption of the amendments in the notes as of September 30, 2012 did not have an impact on the presentation.

Recently issued accounting standards

In fiscal year 2011/2012, the following standards, interpretations and amendments have been issued which still must be endorsed by the EU before they can be adopted:

In October 2011 the IASB issued the IFRIC interpretation 20 “Stripping Costs in the Production Phase of a Surface Mine”. The interpretation regulates the accounting for stripping costs in the production phase of a surface mine. The interpretation clarifies under which conditions an asset must be recognized for the relating stripping measures and how initial and subsequent measurement of this asset has to be determined. The interpretation is compulsory for fiscal years beginning on or after January 01, 2013; earlier application is permitted. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have an impact on the Group’s consolidated financial statements.

In December 2011 the IASB issued an amendment to IAS 32 “Financial Instruments: Presentation” which clarifies the requirements for offsetting financial assets and financial liabilities to eliminate existing inconsistencies in current practice. The amendment is compulsory for fiscal years beginning on or after January 01, 2014 and shall be applied retrospectively; earlier application is permitted. Currently, Management does not expect the adoption of the amendment – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In December 2011 the IASB issued an amendment to IFRS 7 “Financial Instruments: Disclosures” which requires disclosures in the context of certain offsetting arrangements. The obligation for disclosures has to be applied regardless of whether the offsetting arrangements result in any actual offsetting of the respective financial assets and financial liabilities. The new disclosure requirements shall simplify comparing financial statements prepared in accordance with IFRS and financial statements prepared in accordance with US GAAP. The amendment is compulsory for fiscal years beginning on or after January 01, 2013 and shall be applied retrospectively; earlier application is permitted. Currently, Management does not expect the adoption of the amendment – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In December 2011 the IASB issued amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” that defer the mandatory effective date of IFRS 9 from January 01, 2013 to January 01, 2015. In addition the amendment provides relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures have been added to IFRS 7 to help users of the financial statements to understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments. Earlier application of IFRS 9 is still permitted. Currently, Management is not able to finally assess the impact of adoption of IFRS 9 – if endorsed by the EU in the current version.

In May 2012 the IASB issued the fourth omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts five standards. The amendments are effective for fiscal years beginning on or after January 01, 2013, while earlier application is permitted. Currently, Management does not expect the adoption of the amendment – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In June 2012 the IASB issued “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance” Amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance and provides transition reliefs for the before mentioned Standards. Such as IFRS 10, IFRS 11 and IFRS 12, the amendments are effective for fiscal years beginning on or after January 01, 2013, while earlier application is permitted. Currently, Management is not able to finally assess the impact of the adoption of IFRS 10, IFRS 11 and IFRS 12 – if endorsed by the EU in the current version.

In October 2012 the IASB issued “Investment Entities” as amendments to IFRS 10, IFRS 12 and IAS 27 regarding the accounting of investment entities. The amendments define investment entities and provide an exception to the general consolidation requirements of subsidiaries in IFRS 10; instead of consolidating those subsidiaries are measured at fair value through profit or loss. In addition the amendments set out disclosure requirements for investment entities. The amendments are effective for fiscal years beginning on or after January 01, 2014, while earlier application is permitted. Currently, Management does not expect the amendments – if endorsed by the EU in the current version – to have any relevance for the Group’s consolidated financial statements.

02 Acquisitions and disposals

Year ended September 30, 2012

In the year ended September 30, 2012 the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group’s consolidated financial statements as presented below:

MILLION €

	Year ended Sept. 30, 2012
Goodwill	115
Other intangible assets	36
Property, plant and equipment	3
Inventories	1
Trade accounts receivable	24
Other current financial assets	3
Other current non-financial assets	2
Cash and cash equivalents	15
Total assets acquired	199
Accrued pension and similar obligations	1
Deferred tax liabilities	3
Non-current financial debt	2
Other current provisions	1
Current financial debt	1
Trade accounts payable	21
Other current financial liabilities	7
Other current non-financial liabilities	30
Total liabilities assumed	66
Net assets acquired	133
Non-controlling interest	0
Gain resulting in the context of purchase accounting	(10)
Purchase prices	123
thereof: paid in cash and cash equivalents	97

In addition, in fiscal year 2011/2012 as part of the portfolio optimization, the Group sold the ThyssenKrupp Xervon Group in the Materials Services business area and the Chinese activities of the Metal Forming Group in the Steel Europe business area in November 2011 as well as parts of the Marine Systems business area in January 2012. These disposals were classified as disposal groups as of September 30, 2011 because the disposals had been initiated. Furthermore in this reporting year in the Components Technology business area ThyssenKrupp Automotive Systems Industrial do Brasil Ltda. and the US foundry Waupaca were sold and in the Steel Europe business area the Bauelemente Group was sold. These disposals as well as the disposals of companies that were, on an individual basis, immaterial, affected in total the Group’s consolidated financial statements as presented below based on the values as of the disposal date:

MILLION €

	Year ended Sept. 30, 2012
Goodwill	19
Other intangible assets	10
Property, plant and equipment	419
Other non-current financial assets	1
Other non-current non-financial assets	1
Deferred tax assets	8
Inventories	275
Trade accounts receivable	555
Other current financial assets	65
Other current non-financial assets	34
Current income tax assets	1
Cash and cash equivalents	148
Total assets disposed of	1,536
Accrued pension and similar obligations	321
Other non-current provisions	6
Deferred tax liabilities	13
Non-current financial debt	2
Other non-current financial liabilities	3
Other current provisions	63
Current income tax liablilities	9
Current financial debt	76
Trade accounts payable	275
Other current financial liabilities	175
Other current non-financial liabilities	257
Total liabilities disposed of	1,200
Net assets disposed of	336
Cumulative other comprehensive income	4
Non-controlling interest	7
Gain/(loss) resulting from the disposals	371
Selling prices	704
thereof: received in cash and cash equivalents	697

Year ended September 30, 2011

In the year ended September 30, 2011 the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group's consolidated financial statements as presented below:

MILLION €

	Year ended Sept. 30, 2011
Goodwill	32
Other intangible assets	25
Property, plant and equipment	1
Trade accounts receivable	2
Other current non-financial assets	1
Total assets acquired	61
Deferred tax liabilities	1
Other current provisions	1
Trade accounts payable	1
Other current non-financial liabilities	1
Total liabilities assumed	4
Net assets acquired	57
Non-controlling interest	0
Purchase prices	57
thereof: paid in cash and cash equivalents	47

In addition, in the year ended September 30, 2011 the Group sold the Spanish ThyssenKrupp Xervon S.A. in the Materials Services business area and the Iranian company ThyssenKrupp Assanbar PJSC in the Elevator Technology business area as part of the portfolio optimization. Both companies were classified as disposal groups as of September 30, 2010 because the disposals had been initiated; consummation took place in October 2010 and in September 2011, respectively. These two disposals, the disposal of the Metal Forming Group without the Chinese activities as well as the disposals of companies that were, on an individual basis, immaterial, affected in total the Group's consolidated financial statements as presented below based on the values as of the disposal date:

MILLION €

	Year ended Sept. 30, 2011
Goodwill	2
Other intangible assets	3
Property, plant and equipment	244
Other non-current non-financial assets	2
Deferred tax assets	9
Inventories	141
Trade accounts receivable	204
Other current financial assets	9
Other current non-financial assets	48
Cash and cash equivalents	45
Total assets disposed of	707
Accrued pension and similar obligations	57
Other non-current provisions	6
Deferred tax liabilities	11
Other current provisions	31
Current income tax liablilities	2
Current financial debt	160
Trade accounts payable	156
Other current financial liabilities	17
Other current non-financial liabilities	102
Total liabilities disposed of	542
Net assets disposed of	165
Cumulative other comprehensive income	20
Non-controlling interest	0
Gain/(loss) resulting from the disposals	(8)
Selling prices	177
thereof: received in cash and cash equivalents	156

03 Discontinued operations and disposal groups

As part of the portfolio optimization program and of the decision about the concept for the further strategic development, in fiscal year 2011/2012 as well as in fiscal year 2010/2011 the Group has initiated the sale and the disposal of several businesses. With two exceptions these transactions have not met the requirements of IFRS 5 for a presentation as a discontinued operation. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of the disposal. The disposal of the entire Steel Americas business area initiated in September 2012, met the criteria for a presentation as a discontinued operation as of September 30, 2012; for the Stainless Global business area the criteria have already been met since September 30, 2011. Therefore, all revenues and expenses of this business area will be presented in the consolidated statement of income in the line item "Discontinued operations (net of tax)". The prior year presentation has been adjusted accordingly for the Steel Americas business area. For entities for which the disposal has not been completed as of September 30 of the respective fiscal year, the assets and liabilities of the disposal groups and of the discontinued operations have been disclosed separately in the consolidated balance sheet as of September 30 of this fiscal year as “assets held for sale” and “liabilities associated with assets held for sale”.

Year ended September 30, 2012

In September 2012 the disposal of the ThyssenKrupp Tailored Blanks group has been initiated in the Steel Europe business area. Tailored Blanks is supplier of body systems to the auto industry which produces tailored steel blanks. The sale is subject to approval by the supervisory bodies and the responsible regulatory authorities. The assets and liabilities of the disposal group as of September 30, 2012 are presented in the following table:

MILLION €

	Sept. 30, 2012
Goodwill	8
Other intangible assets	2
Property, plant and equipment	97
Investments accounted for using the equity method	1
Deferred assets	3
Inventories	47
Trade accounts receivable	125
Other current financial assets	5
Other current non-financial assets	6
Current income tax assets	4
Cash and cash equivalents	10
Assets held for sale	308
Accrued pension and similar obligations	10
Provisions for other non-current employee benefits	1
Deferred tax liabilities	4
Provisions for current employee benefits	1
Other current provisions	1
Current income tax liabilities	4
Current financial debt	4
Trade accounts payable	63
Other current financial liabilities	4
Other current non-financial liabilities	14
Liabilities associated with assets held for sale	106

Also in September 2012 the disposal of the Berco group has been initiated in the Components Technology business area. Berco is a leading global supplier of undercarriages, based mainly on forged components, for the construction machinery sector and offers a broad range of parts and services for both OEMs and the aftermarket. Its products are used in machinery from large mining equipment to mini excavators. In the context of the initiated disposal an impairment loss of €4 million on intangible assets and of €131 million on property, plant and equipment was recognized in cost of sales resulting from the write-down of the assets to fair value less costs to sell. At the same time a deferred tax asset of €1 million was recognized. The assets and liabilities of the disposal group as of September 30, 2012 are presented in the following table:

MILLION €

	Sept. 30, 2012
Other intangible assets	1
Property, plant and equipment	29
Deferred assets	16
Inventories	200
Trade accounts receivable	57
Other current financial assets	1
Other current non-financial assets	21
Current income tax assets	2
Cash and cash equivalents	3
Assets held for sale	330
Accrued pension and similar obligations	31
Other non-current provisions	1
Other current provisions	7
Current income tax liabilities	3
Current financial debt	3
Trade accounts payable	86
Other current financial liabilities	5
Other current non-financial liabilities	34
Liabilities associated with assets held for sale	170

In the 1st quarter of 2011/2012, the valuation of the disposal group at fair value less cost to sell led to an impairment of €125 million on goodwill which was recognized in other expenses and impairment losses of €6 million on other intangible assets and of €24 million on property, plant and equipment which were recognized in cost of sales. End of January 2012, the disposal of the disposal group has been consummated.

Discontinued operations: Steel Americas and Stainless Global business areas

In September 2012, the Supervisory Board noted with assent the Executive Board's intention to open a bidding process for the Steel Americas business area. The transaction shall be consummated in 2012/2013.

The €3,645 million impairment which became necessary as of September 30, 2012 due to the intention to sell. The impairment is based on the expected fair value less costs to sell. Non-binding offers have been received for each plant separately and both together. These are being pursued by the shortlisted bidders and ThyssenKrupp. The valuation also includes internal calculations, made in part with support from auditors and management consultants, which take into account all knowledge available to ThyssenKrupp from the ongoing sale process and overall represent a best possible estimate. Value changes in the course of the bidding process cannot be excluded.

The results of the Steel Americas business area that classifies as a discontinued operation are as follows:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Net sales	734	1,513
Other income	135	160
Expenses	(3,914)	(6,402)
Ordinary income/(loss) from discontinued operations (before taxes)	(3,045)	(4,729)
Income tax (expense)/income	299	506
Ordinary income/(loss) from discontinued operations (net of tax)	(2,746)	(4,223)
Gain/(loss) recognized on measurement adjustments of discontinued operations (before taxes)	—	—
Income tax (expense)/income	—	—
Gain/(loss) recognized on measurement adjustments of discontinued operations (net of tax)	0	0
Discontinued operations (net of tax)	(2,746)	(4,223)
thereof:		
ThyssenKrupp AG's stockholders	(2,164)	(3,774)
Non-controlling interest	(582)	(449)

The assets and liabilities of the discontinued operation Steel Americas business area as of September 30, 2012 are presented in the following table:

MILLION €

	Sept. 30, 2012
Other intangible assets	22
Property, plant and equipment	2,957
Other non-financial assets	192
Inventories	849
Trade accounts receivable	180
Other current financial assets	67
Other current non-financial assets	121
Current income tax assets	1
Cash and cash equivalents	57
Assets held for sale	4,446
Non-current financial debt	669
Other current provisions	16
Current income tax liabilities	3
Current financial debt	93
Trade accounts payable	307
Other current financial liabilities	124
Other current non-financial liabilities	103
Liabilities associated with assets held for sale	1,315

As of September 2011 as part of its program for the further strategic development, the corporate, organizational and contractual conditions for creating a separate Stainless Global and consequently the conditions for the presentation as a discontinued operation were established

In the context with the initiated disposal, as of September 30, 2011 the measurement of discontinued operations at fair value less cost to sell based on internal calculations and market observations resulted in an impairment loss of €510 million. Thereof, €45 million applied to goodwill and the remaining impairment loss was allocated to property, plant and equipment. The expense is recognized in income/(loss) of discontinued operations of the year ended September 30, 2011.

On January 31, 2012, the agreement to combine the Finnish stainless steel producer Outokumpu and ThyssenKrupp's stainless steel operations was signed. The EU Commission approved the combination in November 2012. The transaction is therefore now only subject to approval by the Chinese authorities. Based on the contract with Outokumpu about the intented sale, in 2011/2012 the measurement resulted in an additional impairment loss of €400 million that was allocated to property, plant and equipment. The expense is recognized in income/(loss) of discontinued operations of the year ended September 30, 2012.

The calculation of the share component of 29.9% of the new company was based on the rate of the Outokumpu share of €0.73. A change of the share rate of €0.01 results in a change of the value of approximately €6 million. Until the final fixing of the value ratios at the closing of the transaction, significant value fluctuations may occur.

Furthermore, due to the shut down of the Krefeld melt shop by the end of 2013, an impairment loss of €42 million on property, plant and equipment is recognized in income/(loss) of discontinued operations of the year ended September 30, 2012. In May 2012, Stainless Global agreed with the relevant works council on a social plan in connection with the consolidation measures regarding the relocation of the Düsseldorf-Benrath facility and the connected personnel reduction. The social plan includes early retirement models and compensations for employees leaving Stainless Global. Further, it includes compensations for employees being relocated. The social plan will apply accordingly to the planned closure of the Krefeld melt shop in the event the transaction is completed. As of September 30, 2012 the overall costs in connection with that social plan have been recognized as a restructuring provision of €58 million in the aggregate for Düsseldorf-Benrath and Krefeld.

The results of the Stainless Global business area that classifies as a discontinued operation are as follows:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Net sales	6,016	5,739
Other income	16	32
Expenses	(6,349)	(6,024)
Ordinary income/(loss) from discontinued operations (before taxes)	(317)	(253)
Income tax (expense)/income	(2)	(54)
Ordinary income/(loss) from discontinued operations (net of tax)	(319)	(307)
Gain/(loss) recognized on measurement adjustments of discontinued operations (before taxes)	(510)	(400)
Income tax (expense)/income	—	—
Gain/(loss) recognized on measurement adjustments of discontinued operations (net of tax)	(510)	(400)
Discontinued operations (net of tax)	(829)	(707)
thereof:		
ThyssenKrupp AG's stockholders	(829)	(700)
Non-controlling interest	0	(7)

On the classification as a discontinued operation, non-current assets are no longer amortized and depreciated, therefore in the year ended September 30, 2012, amortization and depreciation of €192 million were suspended.

The assets and liabilities of the discontinued operation Stainless Global as of September 30, 2011 and 2012, respectively, are presented in the following table:

MIO €

	Sept. 30, 2011	Sept. 30, 2012
Other intangible assets	20	26
Property, plant and equipment	1,805	1,761
Investment property	12	12
Investments accounted for using the equity method	15	18
Other financial assets	2	2
Other non-financial assets	3	7
Deferred assets	110	90
Inventories	1,801	1,675
Trade accounts receivable*	643	582
Other current financial assets*	47	40
Other current non-financial assets	87	98
Current income tax assets	15	16
Cash and cash equivalents	65	56
Assets held for sale	4,625	4,383
Accrued pension and similar obligations	271	337
Provisions for other non-current employee benefits*	22	25
Other non-current provisions*	82	110
Deferred tax liabilities	118	90
Non-current financial debt	61	47
Other non-current non-financial liabilities	1	1
Provisions for current employee benefits*	5	5
Other current provisions*	43	61
Current income tax liabilities	9	6
Current financial debt	156	152
Trade accounts payable*	1,381	1,264
Other current financial liabilities*	187	104
Other current non-financial liabilities	135	121
Liabilities associated with assets held for sale	2,471	2,323

* Prior-year figures have been adjusted.

Year ended September 30, 2011

In April 2010 the disposal of parts of the Marine Systems business area has been initiated as part of the portfolio optimization program. The transaction comprises the disposal of Blohm + Voss Shipyards GmbH, operating in shipbuilding in particular of premium-segment yachts, and of Blohm + Voss Repair GmbH and Blohm + Voss Industries GmbH, both engaged in ship repairing and the manufacturing of components. Additionally, the construction capacities for civil ship construction of former HDW Gaarden are part of the disposal group. In the year ended September 30, 2011, the civil part of former HDW Gaarden has been disposed of. Due to the termination of the negotiations with the Abu Dhabi MAR Group on the complete takeover of the civil shipbuilding activities and a joint venture in naval surface ship building, as of June 30, 2011, assets held for sale of €133 million and liabilities associated with assets held for sale of €145 million have been reclassified to the corresponding balance sheet positions. As of September 30, 2011, the sale of the civil operations of Blohm + Voss is still part of the disposal group - this is the yacht building and repair and components businesses in Hamburg. The assets and liabilities of the disposal group as of September 30, 2011 are presented in the following table:

MILLION €

	Sept. 30, 2011
Goodwill	180
Other intangible assets	11
Property, plant and equipment	54
Deferred assets	3
Inventories	45
Trade accounts receivable	102
Other current financial assets	3
Other current non-financial assets	3
Cash and cash equivalents	219
Assets held for sale	620
Accrued pension and similar obligations	45
Provisions for other non-current employee benefits	4
Other non-current provisions	2
Other non-current financial liabilities	3
Other current provisions	14
Current income tax liabilities	5
Current financial debt	80
Trade accounts payable	30
Other current financial liabilities	3
Other current non-financial liabilities	139
Liabilities associated with assets held for sale	325

The transaction has been consummated.

End of April 2011 the Group initiated the disposal of the Metal Forming Group in the Steel Europe business area. The group produces high-quality chassis and body components in Germany, France, the UK, Spain, Poland, Turkey and China. After the approval by the European cartel authorities the sale to the Spanish Gestamp Automoción S.L. has been consummated in July 2011 with the exemption of the Chinese activities. In the context with the outstanding sale of the Chinese activities an impairment loss of €13 million on property, plant and equipment resulting from the write-down of the assets to fair value less costs to sell were recorded in cost of sales. The assets and liabilities of the Chinese activities which are still part of the disposal group as of September 30, 2011 are presented in the following table:

MILLION €

	Sept. 30, 2011
Property, plant and equipment	11
Other non-financial assets	2
Deferred assets	1
Inventories	9
Trade accounts receivable	23
Other current non-financial assets	4
Cash and cash equivalents	15
Assets held for sale	65
Current financial debt	15
Trade accounts payable	6
Other current non-financial liabilities	10
Liabilities associated with assets held for sale	31

The transaction has been consummated.

In August 2011, the Group initiated the disposal of the Xervon Group in the Materials Services business area. Xervon is one of the world's leading providers of technical services for industrial plant construction and maintenance. In the context of the initiated disposal an impairment loss of €48 million on goodwill was recognized in other operating expenses resulting from the write-down of the assets to fair value less costs to sell. The assets and liabilities of the disposal as of September 30, 2011 are presented in the following table:

MILLION €

	Sept. 30, 2011
Goodwill	16
Other intangible assets	3
Property, plant and equipment	125
Deferred assets	2
Inventories	94
Trade accounts receivable	153
Other current financial assets	2
Other current non-financial assets	17
Cash and cash equivalents	39
Assets held for sale	451
Accrued pension and similar obligations	41
Provisions for other non-current employee benefits	3
Other non-current provisions	1
Deferred tax liabilities	7
Non-current financial debt	1
Provisions for current employee benefits	18
Other current provisions	16
Current income tax liabilities	4
Current financial debt	167
Trade accounts payable	60
Other current financial liabilities	3
Other current non-financial liabilities	76
Liabilities associated with assets held for sale	397

The transaction has been consummated.

Notes to the consolidated statement of financial position

04 Intangible assets

Changes in the Group's intangible assets were as follows:

MILLION €

	Franchises, trademarks and similar rights and values as well as licenses thereto	Development costs, internally developed software and website	Goodwill	Total	Additional information: Presentation of disposal groups, discontinued operations
Gross amounts					
Balance as of Sept. 30, 2010	1,381	562	4,682	6,625	156
Currency differences	3	23	0	26	0
Acquisitions/divestitures of businesses	9	(9)	(37)	(37)	(5)
Additions	47	19	9	75	0
Transfers	20	4	0	24	0
Disposals	(22)	(11)	0	(33)	0
Reclassification due to the presentation as assets held for sale	(115)	(31)	(698)	(844)	844
Balance as of Sept. 30, 2011	1,323	557	3,956	5,836	995
Currency differences	19	2	76	97	10
Acquisitions/divestitures of businesses	8	(1)	68	75	(258)
Additions	74	20	23	117	4
Transfers	14	12	0	26	0
Disposals	(5)	(12)	0	(17)	0
Reclassification due to the presentation as assets held for sale	(70)	0	46	(24)	24
Balance as of Sept. 30, 2012	1,363	578	4,169	6,110	775
Accumulated amortization and impairment losses					
Balance as of Sept. 30, 2010	812	288	874	1,974	25
Currency differences	0	10	6	16	0
Acquisitions/divestitures of businesses	(5)	(7)	(63)	(75)	(5)
Amortization expense	96	42	0	138	0
Impairment losses	3	3	290	296	0
Reversals of impairment losses	0	(1)	-	(1)	0
Transfers	1	0	0	1	0
Disposals	(20)	(7)	0	(27)	0
Reclassification due to the presentation as assets held for sale	(100)	(23)	(529)	(652)	652
Balance as of Sept. 30, 2011	787	305	578	1,670	672
Currency differences	10	1	14	25	9
Acquisitions/divestitures of businesses	(10)	(1)	(17)	(28)	(188)
Amortization expense	88	46	0	134	0
Impairment losses	10	11	45	66	132
Reversals of impairment losses	0	0	-	0	0
Transfers	4	0	0	4	0
Disposals	(5)	(5)	0	(10)	0
Reclassification due to the presentation as assets held for sale	(41)	0	(1)	(42)	42
Balance as of Sept. 30, 2012	843	357	619	1,819	667
Net amounts					
as of Sept. 30, 2010	569	274	3,808	4,651	131
as of Sept. 30, 2011	536	252	3,378	4,166	323
as of Sept. 30, 2012	520	221	3,550	4,291	108

Impairment of goodwill

Goodwill impairment losses are included in other expenses.

In the annual impairment test in 2010/2011, a more negative assessment of the economic situation and the connected surrounding conditions indicated that goodwill of the CGUs of the Stainless Global business area has to be impaired in the amount of €290 million because the recoverable amounts of the respective CGU were less than the respective carrying amounts. In the ThyssenKrupp Nirosta CGU which is a producer of stainless flat products, the impairment loss amounted to €166 million. The determination of the recoverable amount was derived from the value in use based on a discount rate of 8.1%. Moreover, in the ThyssenKrupp Mexinox CGU which is bundling the Mexico business of stainless flat products, an impairment loss of €72 million had to be recognized. The determination of the recoverable amount was derived from the value in use based on a discount rate of 9.3%. In the ThyssenKrupp Acciai Speciali Terni CGU which is also a producer of stainless flat products, the impairment loss amounted to €39 million. The determination of the recoverable amount was derived from the value in use based on a discount rate of 9.9%. The remaining impairment loss almost solely applies to the ThyssenKrupp Stainless International CGU. Additional adjustments are disclosed in Note 03.

In 2011/2012, beyond the annual goodwill impaiment test impairment losses of €45 million were recognized in the Elevator Technology business area as a result of an abandonment.

Impairment of other intangible assets

Impairment losses of intangible assets other than goodwill are included in cost of sales.

Goodwill

Goodwill (excluding goodwill of equity method investments) has been allocated to cash generating units within all business areas. The recoverable amount of each cash generating unit is determined based on a value in use calculation using after-tax cash flow projections based on bottom-up prepared financial budgets approved by ThyssenKrupp AG's management covering a four-year period. The budgeted last year is generally used to determine the cash flows beyond the budgeted period. No growth rate is taken into account to extrapolate the budgeted last year. The weighted average cost of capital discount rate is based on a risk-free interest rate of 2.25% and a market risk premium of 5.5%. Moreover for each CGU an individual beta derived from the relevant peer group, a debt capital spread and an individual capital structure is used. In addition CGU specific tax rates and country risk premiums are used. The following after-tax discount rate ranges have been applied to the cash flow projections by business area:

%

	After tax discount rate ranges	
	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Steel Europe	8.1	7.4
Materials Services	7.0 - 9.0	6.7 - 8.3
Elevator Technolgy	7.8	7.3 - 10.2
Plant Technology	7.7 - 9.0	8.6 - 9.0
Components Technology	7.7 - 8.0	8.1 - 9.1
Marine Systems	6.3	6.0
Stainless Global	7.7 - 9.9	-
Corporate	6.6	6.0

The values in use for the CGUs are determined based on both historical data and expected forecast market performance. The values assigned to the key assumptions are generally consistent with external information sources.

Without the two discontinued operations, 20 CGUs were identified in the ThyssenKrupp Group, of which 19 report goodwill. Total goodwill, e.g. including goodwill of disposal groups and discontinued operations, amounts to €3,558 million as of September 30, 2012. 67% of this goodwill relates to the CGUs Steel Europe, Americas, Uhde and Marine Systems, as shown in the following table:

SIGNIFICANT GOODWILL

CGU (Business Area)	Carrying amount of goodwill allocated to CGU (million €)	Proportion of total goodwill (in %)	Description of key assumptions of budgeting	Procedure used to determine key assumptions
Steel Europe (Steel Europe)	313	9%	- Selling prices - Procurement prices - Business cycles	Internal estimates of sales and purchasing departments concerned and consideration of economic assumptions set by ThyssenKrupp AG and external market studies
Americas (Elevator Technology)	884	25%	- Procurement prices - Exchange rates and interest rates	Consideration of economic assumptions set by ThyssenKrupp AG and external market studies
Uhde (Plant Technology)	267	7%	- Market growth rates - Business cycles	Consideration of economic assumptions set by ThyssenKrupp AG and external market studies as well as deduction of future demand and propensity to invest from the current development of end-product prices
Marine Systems (Marine Systems)	938	26%	- Market growth rates	Consideration of long-term budget plans of potential customers and if appropriate concrete negotiations with customers, tightened competitive situation and at the same time decreased budgets of the customer countries

For none of the CGUs a goodwill impairment resulted from the annual impairment test because the recoverable amount of all CGUs was higher than the respective carrying amount.

The change in the carrying amount of goodwill (excluding goodwill of investments accounted for using the equity method) is as follows:

MILLION €

	Steel Europe	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Steel Americas	Stainless Global	Total*
Balance as of Sept. 30, 2010	314	387	1,281	312	238	924	15	0	337	3,808
Currency differences	(1)	(4)	0	(2)	4	(1)	0	0	(2)	(6)
Acquisitions/(divestitures)	0	5	22	0	0	(1)	0	0	0	26
Additions	0	0	9	0	0	0	0	0	0	9
Reclassification due to the presentation as assets held for sale	0	(64)	0	0	0	(60)	0	0	(45)	(169)
Impairment	0	0	0	0	0	0	0	0	(290)	(290)
Balance as of Sept. 30, 2011	313	324	1,312	310	242	862	15	0	0	3,378
Currency differences	0	5	52	4	1	1	0	0	0	63
Acquisitions/(divestitures)	0	(2)	34	29	(1)	22	4	0	0	86
Additions	0	0	23	0	0	0	0	0	0	23
Reclassification due to the presentation as assets held for sale	(8)	0	0	0	0	53	0	0	0	45
Impairment	0	0	(45)	0	0	0	0	0	0	(45)
Balance as of Sept. 30, 2012	305	327	1,376	343	242	938	19	0	0	3,550

* excluding goodwill of investments accounted for using the equity method

05 Property, plant and equipment

Changes in the Group's property, plant and equipment were as follows:

MILLION €

	Land, leasehold rights and buildings including buildings on third-party land	Technical machinery and equipment	Other equipment, factory and office equipment	Assets under finance lease	Assets under operating lease	Construction in progress	Total	Additional information: Presentation of disposal groups, discontinued operations
Gross amounts								
Balance as of Sept. 30, 2010	5,937	21,074	2,263	235	13	3,606	33,128	377
Currency differences	45	189	0	0	0	(21)	213	0
Acquisitions/divestitures of businesses	(105)	(581)	(36)	(30)	0	(6)	(758)	(14)
Additions	115	490	226	24	0	1,044	1,899	4
Transfers	906	2,344	51	0	0	(3,162)	139	0
Disposals	(58)	(215)	(104)	(27)	(3)	3	(404)	(4)
Reclassification due to the presentation as assets held for sale	(743)	(2,736)	(446)	(42)	0	(508)	(4,475)	4,475
Balance as of Sept. 30, 2011	6,097	20,565	1,954	160	10	956	29,742	4,838
Currency differences	87	349	15	2	0	29	482	83
Acquisitions/divestitures of businesses	(206)	(492)	(55)	(5)	0	(6)	(764)	(667)
Additions	78	551	188	17	0	629	1,463	348
Transfers	80	791	19	0	(10)	(774)	106	3
Disposals	(41)	(254)	(62)	(15)	0	(7)	(379)	(18)
Reclassification due to the presentation as assets held for sale	(1,477)	(8,105)	(228)	(11)	0	(201)	(10,022)	10,022
Balance as of Sept. 30, 2012	4,618	13,405	1,831	148	0	626	20,628	14,609
Accumulated depreciation and impairment losses								
Balance as of Sept. 30, 2010	2,664	12,372	1,621	144	3	2	16,806	325
Currency differences	15	74	0	0	0	3	92	0
Acquisitions/divestitures of businesses	(43)	(422)	(62)	(26)	0	0	(553)	(13)
Depreciation expense	187	1,132	199	17	0	0	1,535	1
Impairment losses	251	1,334	21	0	0	100	1,706	0
Reversals of impairment losses	(2)	(57)	0	0	0	0	(59)	0
Transfers	(7)	6	(3)	0	0	0	(4)	0
Disposals	(45)	(202)	(92)	(19)	(2)	0	(360)	(4)
Reclassification due to the presentation as assets held for sale	(251)	(1,525)	(272)	(22)	0	0	(2,070)	2,070
Balance as of Sept. 30, 2011	2,769	12,712	1,412	94	1	105	17,093	2,379
Currency differences	24	113	9	1	0	4	151	27
Acquisitions/divestitures of businesses	(94)	(387)	(35)	(3)	0	0	(519)	(505)
Depreciation expense	156	985	160	12	0	0	1,313	0
Impairment losses	537	2,984	62	3	0	96	3,682	74
Reversals of impairment losses	(1)	(1)	0	0	0	0	(2)	0
Transfers	4	81	(3)	0	(1)	(74)	7	0
Disposals	(32)	(241)	(56)	(14)	0	0	(343)	(12)
Reclassification due to the presentation as assets held for sale	(909)	(5,610)	(155)	(8)	0	(125)	(6,807)	6,807
Balance as of Sept. 30, 2012	2,454	10,636	1,394	85	0	6	14,575	8,770
Net amounts								
as of Sept. 30, 2010	3,273	8,702	642	91	10	3,604	16,322	52
as of Sept. 30, 2011	3,328	7,853	542	66	9	851	12,649	2,459
as of Sept. 30, 2012	2,164	2,769	437	63	0	620	6,053	5,839

Impairment losses of property, plant and equipment are for the most part included in cost of sales and to a minor extent in selling and administrative expenses.

In 2010/2011 impairment losses of €1,685 million were recorded in the Steel Americas business area. €237 million of the total impairment relates to buildings, €1,321 million to technical machinery and equipment and €100 million to construction in progress. Reasons for the impairment losses are increased acquisition costs caused by cost overruns on the construction of the Brazilian plant, significant prolonged losses due to the delayed ramp-up, the strength of the Brazilian real affecting the competitive position of the Brazilian plant both now and in the near future as well as the slower recovery and renewed weakness of markets in the USA and Europe; also the increase of the weighted average cost of capital was a strain. The recoverable amounts used to calculate the impairment losses correspond in each case to the values in use. A discount rate of 10.5% was used to calculate the values in use.

As of the balance sheet date, the Steel Americas business area met the criteria for a presentation as a discontinued operation and according to this a remeasurement of the assets and liabilities was necessary. The remeasurement of property, plant and equipment resulted in an impairment loss of €3,645 million. €532 million of the total impairment relates to land and buildings, €2,959 million to technical machinery and equipment, €59 million to other equipment, €3 million to assets under finance lease and €92 million to construction in progress.

The impairment is based on the expected fair value less costs to sell. Non-binding offers have been received for each plant separately and both together. These are being pursued by the shortlisted bidders and ThyssenKrupp. The valuation also includes internal calculations, made in part with support from auditors and management consultants, which take into account all knowledge available to ThyssenKrupp from the ongoing sale process and overall represent a best possible estimate. Value changes in the course of the bidding process cannot be excluded.

Property, plant and equipment include leased buildings, technical machinery and equipment and other equipment that have been capitalized, where the terms of the lease require the Group, as lessee, to assume substantially all of the benefits and risks of use of the leased asset (finance lease).

MILLION €

	Gross amounts		Accumulated depreciation and impairment losses		Net amounts	
	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012
Land, leasehold rights and buildings including buildings on third-party land	73	73	34	34	39	39
Technical machinery and equipment	52	52	37	34	15	18
Other equipment, factory and office equipment	35	23	23	17	12	6
Assets under finance lease	160	148	94	85	66	63

Property, plant and equipment have been pledged as security for financial payables of €6 million (2011: €5 million).

06 Investment property

Changes in the Group's investment property were as follows:

MILLION €

	2010	2011
Gross amounts		
Balance as of Sept. 30, 2010 and Sept. 30, 2011, respectively	511	456
Currency differences	0	0
Acquisitions/divestitures of businesses	3	1
Additions	0	0
Transfers	9	(2)
Disposals	(44)	(34)
Reclassification due to the presentation as assets held for sale	(22)	0
Balance as of Sept. 30, 2011 and 2012, respectively	457	421
Accumulated depreciation and impairment losses		
Balance as of Sept. 30, 2010 and Sept. 30, 2011, respectively	174	156
Currency differences	0	0
Acquisitions/divestitures of businesses	2	0
Depreciation expense	2	1
Impairment losses	8	5
Reversals of impairment losses	0	(1)
Transfers	2	(2)
Disposals	(22)	(21)
Reclassification due to the presentation as assets held for sale	(10)	0
Balance as of Sept. 30, 2011 and 2012, respectively	156	138
Net amounts		
as of Sept. 30, 2010	337	
Balance as of Sep. 30, 2011 and 2012, respectively	301	283

The fair value of the Group's investment property is determined using various internationally accepted valuation methods such as the gross rental method, discounted cash flow method, asset value method and comparison to current market prices of similar real estate. Investment property located in Germany is primarily determined based on internally prepared valuations using the gross rental method which is regulated in Germany by the "Verordnung über Grundsätze für die Ermittlung der Verkehrswerte von Grundstücken – WertV". Investment property located outside Germany is generally determined by external appraisers.

As of September 30, 2012, the total fair value of the Group's investment property is €353 million (2011: €380 million) of which €18 million (2011: €14 million) are based on valuations of external appraisers.

Additions which are disclosed in the gross amounts include subsequent expenditure of €0.2 million (2011: €0.2 million).

The lease of investment property resulted in rental income of €18 million (2010/2011: €17 million) and direct operating expense of €9 million (2010/2011: €9 million). Direct operating expense of €9 million (2010/2011: €8 million) resulted from investment property that does not generate rental income.

07 Investments accounted for using the equity method

Investments in associates

As of September 30, 2012, the carrying amount of investments in associates accounted for using the equity method is €55 million (2011: €71 million). The income of investments in associates accounted for using the equity method is €(23) million (2010/2011: €(5) million).

Summarized financial information of associates accounted for using the equity method is presented in the table below. The information given represents 100% and not the Group's interest in the associates:

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Total assets	908	871
Total liabilities	696	758

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Net sales	759	840
Net loss	(13)	(52)

In 2011/2012, the unrecognized share of losses of an associate accounted for using the equity method was €6 million (2010/2011: 0). There were also cumulative unrecognized losses of €6 million (2010/2011: 0).

Joint ventures

The following table shows the summarized financial information of the Group's joint ventures. The information given represents the Group's interest in the joint ventures:

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Current assets	844	936
Non-current assets	397	444
Current liabilities	481	525
Non-current liabilities	304	355

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Net sales	2,022	2,301
Net income	67	61

The associates and joint ventures are included in the list of the Group's subsidiaries and equity interests investments which is presented in Note 39.

08 Operating lease as lessor

The Group is the lessor of various commercial real estates under operating lease agreements.

As of September 30, the future minimum lease payments to be received on non-cancellable operating leases are as follows:

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Not later than one year	20	17
Between one and five years	34	32
Later than five years	20	19
Total	74	68

The amounts reflected as future minimum lease payments do not contain any contingent rentals. No contingent rentals have been recognized in the consolidated statements of income in 2011/2012 and in 2010/2011, respectively.

09 Inventories

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Raw materials	2,266	1,399
Supplies	616	316
Work in process	1,623	1,552
Finished products, merchandise	3,600	3,100
Total	8,105	6,367

Inventories of €4 million (2011: €17 million) have a remaining term of more than 1 year. Inventories of €34,344 million (2011: €35,377 million) are recognized as an expense during the period. Included in cost of sales are write-downs of inventories of €49 million (2011: €232 million). In 2011 thereof €173 million relates to the write-down of excess inventory caused by the ramp-up in the Steel Americas business area.

10 Trade accounts receivable

MILLION €

	Sept. 30, 2011*	Sept. 30, 2012
Receivables from sales of goods and services	4,339	4,063
Amounts due from customers for construction work	799	1,063
Total	5,138	5,126

* Prior year figure adjusted.

Receivables from the sales of goods and services in the amount of €353 million (2011: €722 million) have a remaining term of more than 1 year. As of September 30, 2012 cumulative impairment losses of €316 million (2011: €280 million) are recognized for doubtful accounts.

As of the reporting date trade accounts receivable were as follows:

MILLION €

	Carrying amount	thereof:	thereof: not impaired but past due as of balance sheet date						thereof:
	Trade accounts receivable	neither impaired nor past due as of balance sheet date	past due up to 30 days	past due 31 to 60 days	past due 61 to 90 days	past due 91 to 180 days	past due 181 to 360 days	past due more than 360 days	impaired as of balance sheet date
Sept. 30, 2011*	5,138	4,317	324	96	63	98	56	48	136
Sept. 30, 2012	5,126	4,172	316	96	62	83	64	38	295

* Prior year figure adjusted.

Amounts due from customers for construction work are calculated as follows:

MILLION €

	Sept. 30, 2011*	Sept. 30, 2012
Contract costs incurred and recognized contract profits (less recognized losses)	3,257	4,107
Less advance payments received	(2,458)	(3,044)
Total	799	1,063

* Prior year figure adjusted.

Advanced payments received are collateralized by assets of €544 million (2011: €395 million). Sales from construction contracts of €7,337 million were recognized in the period (2010/2011: €6,682 million).

The Group primarily sells credit insured trade accounts receivable under existing programs on a revolving basis as well as under one-time transactions.

The amount of receivables sold and derecognized from the balance sheet as of September 30, 2012, was €80 million (2011: €89 million), resulting in net proceeds in the amount of €79 million (2010/2011: €88 million). In some cases, when the Group sells receivables it retains rights and immaterial obligations; these retained interests mainly consist of servicing as well as providing limited cash reserve accounts. The recognized assets and provided guarantees which serve as a cash reserve account amounted to €2 million (2011: €3 million) as of September 30, 2012.

11 Other financial assets

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	current	non-current	current	non-current
Loans and receivables*	274	17	223	28
Available-for-sale financial assets	6	54	6	57
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	137	—	50	—
Derivatives that qualify for hedge accounting	82	—	10	—
Total*	499	71	289	85

* Prior year figure adjusted.

Other financial assets in the amount of €90 million (2011: €107 million) have a remaining term of more than 1 year. As of September 30, 2012 cumulative impairments amount to €32 million (2011: €18 million) regarding current other financial assets and €58 million (2011: €50 million) regarding non-current other financial assets.

As of the reporting date other financial assets were as follows:

MILLION €

	Carrying amount	thereof:	thereof: not impaired but past due as of balance sheet date						thereof:
	Other financial assets	neither impaired nor past due as of balance sheet date	past due up to 30 days	past due 31 to 60 days	past due 61 to 90 days	past due 91 to 180 days	past due 181 to 360 days	past due more than 360 days	impaired as of balance sheet date
Sept. 30, 2011*	570	521	3	1	1	1	1	7	35
Sept. 30, 2012	374	347	1	0	0	0	0	0	26

* Prior year figure adjusted.

12 Other non-financial assets

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	current	non-current	current	non-current
Advance payments on intangible assets	—	29	—	29
Advance payments on property, plant and equipment	—	178	—	184
Advance payments to suppliers of inventories and to other current non-financial assets*	824	—	1,040	—
Prepayments*	165	—	92	—
Reimbursement rights	88	—	0	—
Others	486	246	524	6
Total	1,563	453	1,656	219

* Prior year figure adjusted.

Other non-financial assets in the amount of €889 million (2011: €556 million) have a remaining term of more than 1 year. As of September 30, 2012 cumulative impairments amount to €29 million (2011: €29 million) regarding current other non-financial assets and €5 million (2011: €224 million) regarding non-current other non-financial assets. In 2011, impairments regarding non-current other non-financial assets mainly relate to the Steel Americas business area.

13 Total Equity

€7 million, €10 million and €11 million of the balance of cumulative other comprehensive income result from associates as of Sept. 30, 2010, Sept. 30, 2011 and Sept. 30, 2012, respectively. €1 million (2010/2011: €3 million) of the changes of cumulative other comprehensive income result from associates.

The following table shows the changes of the foreign currency translation adjustment which is part of cumulative other comprehensive income:

MILLION €

	Foreign currency translation adjustment
Balance as of Sept. 30, 2010	138
Change in unrealized gains/(losses), net	70
Net realized (gains)/losses	(17)
Balance as of Sept. 30, 2011	191
Change in unrealized gains/(losses), net	293
Net realized (gains)/losses	12
Balance as of Sept. 30, 2012	496

Capital stock

The capital stock of ThyssenKrupp AG consists of 514,489,044 no-par bearer shares of stock, all of which have been issued and are fully paid, with 514,489,044 outstanding as of September 30, 2012 and September 30, 2011, respectively. Each share of common stock has a stated value of €2.56.

All shares grant the same rights. The stockholders are entitled to receive dividends as declared and are entitled to one vote per share at the stockholders' meetings.

Additional paid in capital

Additional paid in capital include the effects of the business combination of Thyssen and Krupp as well as premiums resulting from capital increases at subsidiaries with non-controlling interest.

Retained earnings

Retained earnings include prior years' undistributed consolidated income. In addition, actuarial gains and losses are included in this balance sheet item.

Treasury stock

To reduce net financial debt as part of the Group's strategic development, on July 06, 2011 the Executive Board of ThyssenKrupp AG resolved to sell the 49,484,842 treasury shares; this corresponds to 9.6% of the capital stock. The shares were sold in an accelerated bookbuilding process at a price of €32.95 per share to mainly German and international institutional investors on July 07, 2011, leading to a cash inflow of approximately €1.6 billion; the related transaction costs of €7 million are accounted for as a deduction from equity.

The presented sale of the treasury sales is based on the authorization of the Annual General Meeting of January 21, 2010, respectively, resulting in the fact that ThyssenKrupp AG does not any longer hold treasury shares as of September 30, 2012 and September 30, 2011, respectively.

Management of capital

As of September 30, 2012, the equity ratio reached 11.8.% (2011: 23.8%). As of September 30, 2012, write-downs resulted in a temporary increase in our gearing to 128.1%. (2011: 34.5%). As in the prior year, this meant that the 150% upper limit for gearing stipulated in some credit agreements – in particular the syndicated credit line – was not exceeded at September 30, 2012. The cash inflows expected from the sale of Steel Americas will lead to a significant reduction of net financial debt and thus of the temporarily increased gearing. Among the ThyssenKrupp Group's most important financial goals are a sustainable appreciation of entity value and ensuring solvency at all times. Creating sufficient liquidity reserves is therefore of great importance. These objectives are achieved by implementing various capital cost reduction and capital structure optimization measures as well as effective risk management.

The ThyssenKrupp Group's financial risks are assessed on the basis of ratings by rating agencies:

	Lang-term-rating	Short-term rating	Outlook
Standard & Poor's	BB	B	negative
Moody's	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

As a result, ThyssenKrupp has an investment grade rating with Moody's and Fitch. After Standard & Poor's downgraded ThyssenKrupp's rating from BB+ to BB last fiscal year, our rating with this agency remains non-investment grade. Achieving investment grade status with all rating agencies is a major priority for ThyssenKrupp. For the financing of the ThyssenKrupp Group, an investment grade rating in the "BBB" range leads to an optimum of capital costs. Moreover, it basically ensures access to a broad base of investors. Capital management at ThyssenKrupp is based on debt ratios published by rating agencies, which calculate cash-flow-to-debt ratios periodically. ThyssenKrupp is not subject to statutory capital requirements.

Authorizations

According to Art. 5 Para. 5 of the Articles of Association of ThyssenKrupp AG, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions on or before January 19, 2017, by up to €500 million by issuing up to 195,312,500 new no-par shares in exchange for cash and/or contributions in kind (Authorized Capital). The shareholders are in principle entitled to subscription rights; the option of excluding subscription rights is limited to 20% of the capital stock.

By resolution of the Annual General Meeting on January 23, 2009, the Executive Board is authorized, subject to the approval of the Supervisory Board, to issue bearer bonds with a total par value up to €2 billion and to grant the bond holders the right to convert the bonds into a total of up to €50 million bearer shares of ThyssenKrupp with an arithmetical share in the Company's capital stock of up to €128 million (convertible bonds). The authorization is valid until January 22, 2014.

In addition, by resolution of the Annual General Meeting on January 21, 2010, ThyssenKrupp is authorized through January 20, 2015, to purchase treasury stock for certain defined purposes up to a total of 10% of the capital stock at the time of the resolution. Treasury stock can also be purchased by using equity derivatives (put or call options or a combination of both).

Dividend

The annual financial statements of ThyssenKrupp AG, drawn up in accordance with German GAAP (HGB), show no distributable net income for fiscal 2011/2012. For this reason, there will be no dividend proposal to the Annual General Meeting by the Executive Board and Supervisory Board. For fiscal year 2010/2011 a dividend of €0.45 (2009/2010: €0.45) had been paid.

14 Share-based compensation

Management incentive plans

In 2003, ThyssenKrupp implemented a performance based mid-term incentive plan (MTI) which issues stock rights to eligible participants. All Executive Board members of ThyssenKrupp AG are eligible to participate. Starting with the second installment which was issued in 2004, the group of beneficiaries was expanded to include the former segment lead companies as well as several other selected executive employees. As of fiscal year 2010/2011 the previous MTI continues with modified parameters as long-term incentive plan LTI. Besides the Executive Board members of ThyssenKrupp AG and of the business areas, management board members and additional selected executives are plan participants. As of September 30, 2012, 321,806 stock rights were issued in the 8th installment of the MTI, 1,171,327 stock rights in the 1st installment and 1,816,758 stock rights in the 2nd installment of the LTI.

The number of stock rights issued will be adjusted at the end of each performance period based on the average economic value added (EVA) over the three-year performance period, beginning October 01 of the year the stock rights were granted, compared to the average EVA over the previous three fiscal year period. At the end of the performance period the stock rights will be settled in cash based on the average price of ThyssenKrupp stock during the three month period immediately following the performance period.

To determine the fair value of the stock rights used to calculate the pro-rata liability as of the balance sheet date forward prices of the ThyssenKrupp stock are calculated taking into account partial caps starting in the 3rd installment. The forward calculation is carried out for predefined periods (averaging periods) taking into account the ThyssenKrupp stock price and the Euro interest rate curve as of the balance sheet date and the dividends assumed to be paid until the maturity of the stock rights. The following assumptions were used for the determination of the fair values as of September 30, 2011 and as of September 30, 2012, respectively:

YEAR ENDED SEPT. 30, 2011

	7th installment MTI	8th installment MTI	1st installment LTI
Maturity	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013
Averaging period	Oct. 01 to Dec. 31, 2011	Oct. 01 to Dec. 31, 2012	Oct. 01 to Dec. 31, 2013
ThyssenKrupp stock price as of balance sheet date	€18.55	€18.55	€18.55
Assumed dividend payment(s) per stock until maturity	—	€0.45 on Jan. 23, 2012	€0.45 on Jan. 23, 2012 €0.45 on Jan. 21, 2013
Average dividend yield	—	2.21%	2.34%
Average interest rate (averaging period)	1.26%	1.57%	1.52%
Fair value as of Sept. 30, 2011			
- without caps	€18.50	€18.07	€17.62
- with caps	€18.50	€18.07	€17.62

YEAR ENDED SEPT. 30, 2012

	8th installment MTI	1st installment LTI	2nd installment LTI
Maturity	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014
Averaging period	Oct. 01 to Dec. 31, 2012	Oct. 01 to Dec. 31, 2013	Oct. 01 to Dec. 31, 2014
ThyssenKrupp stock price as of balance sheet date	€16.54	€16.54	€16.54
Assumed dividend payment(s) per stock until maturity	—	€0.45 on Jan. 21, 2013	€0.45 on Jan. 21, 2013 €0.45 on Jan. 20, 2014
Average dividend yield	—	2.51%	2.67%
Average interest rate (averaging period)	0.12%	0.42%	0.48%
Fair value as of Sept. 30, 2012			
- without caps	€16.53	€16.08	€15.63
- with caps	€16.53	€16.08	€15.63

In the 2nd quarter of 2011/2012, the 7th installment of the MTI expired without any payment due to the decline of the average ThyssenKrupp EVA over the three-year performance period compared to the average ThyssenKrupp EVA over the previous three fiscal year period. In the 2nd quarter of 2010/2011, also the 6th installment of the mid-term incentive plan expired without any payment due to the decline of the average ThyssenKrupp EVA. Due to a downward trend of the TKVA, the Group recorded an income of €2.2 million from the reversal of the obligations of the incentive plans in 2011/2012 (2010/2011: expense of €10.5 million); thereof an income of €0.9 million (2010/2011: expense of €0.6 million) are presented in income/(loss) of discontinued operations. The liability arising from the MTI and LTI amounts to €12.7 million as of September 30, 2012 (2011: €14.9 million).

In February 2006, the Group implemented a Share Purchase Program for selected executive employees who are not beneficiaries of the mid-term incentive plan. Under the Program the beneficiaries are entitled to purchase up to a fixed amount ThyssenKrupp shares at a discount. In September 2010 the Share Purchase Program was renewed for the last time and settled in February 2011 resulting in an expense of €8.6 million in 2010/2011; thereof an expense of €0.4 million is presented in income/(loss) of discontinued operations. As of September 30, 2012 and 2011, respectively, no obligation exists from the Program.

In September 2010 the structure of the variable compensation for members of the Executive Board of ThyssenKrupp AG was modified. 25% of the performance bonus granted for each fiscal year will now be converted into ThyssenKrupp AG stock rights to be paid out after a three-year lock-up period. The number of stock rights is calculated by dividing 25% of the performance bonus by the average ThyssenKrupp share price in the 4th quarter of the fiscal year for which the performance bonus is granted. After expiration of three fiscal years, the payout amount is calculated by multiplying the number of stock rights by the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. In addition, for each stock right the dividend amount which would have been paid for these three fiscal years is also paid out. Insofar as the Executive Board members of ThyssenKrupp AG are granted an additional bonus alongside the performance bonus, as in 2009/2010, 2010/2011 and 2011/2012, respectively, 55% of this additional bonus will also be converted into stock rights and treated in accordance with the performance bonus model. In the 3rd quarter ended June 30, 2011, the structure of the variable compensation for additional executive employees was modified. 20% of the performance bonus granted for the respective fiscal year will be obligatorily converted into ThyssenKrupp AG stock rights to be paid out after the expiration of three fiscal years based on the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. The Group recorded expenses of €2 million (2010/2011: €3 million) associated with this compensation component; the resultant obligation as of September 30, 2012 amounts to €8 million (2011: €6 million).

Employee share purchase program

In the 3rd quarter of 2011/2012, the Group primarily offered eligible members of its domestic workforce the right to purchase up to €270 in ThyssenKrupp shares at a 50% discount as part of an employee share purchase program. The program resulted in the Group recording compensation expense of €6.0 million (2010/2011: €6.1 million); thereof €0.5 million (2010/2011: €0.5 million are presented in income/(loss) of discontinued operations.

15 Accrued pension and similar obligations

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Accrued pension liability	6,007	6,922
Accrued postretirement obligations other than pensions	1,080	850
Other accrued pension-related obligations	210	314
Reclassification due to the presentation as liabilities associated with assets held for sale	(357)	(378)
Total	6,940	7,708

Accrued pension and similar obligations in the amount of €7,111 million (2011: €6,455 million) have a remaining term of more than 1 year.

Accrued pension liability

The Group maintains defined benefit pension plans and defined contribution plans that cover the majority of the employees in Germany, the USA and Great Britain. In some other countries, eligible employees receive benefits in accordance with the respective local requirements. The obligations resulting from defined benefit pensions plans in Canada as of September 30, 2010 were transferred to insurance companies in 2010/2011.

In Germany, benefits generally take the form of pension payments that are indexed to inflation. Benefits for some senior staff are based on years of service and salary during a reference period, which is generally three years prior to retirement. Other employees receive benefits based on years of service. In addition, ThyssenKrupp offers certain German employees the opportunity to participate in a defined benefit program which allows for the deferral of compensation which earns interest at a rate of 6.00% per year.

In the USA, hourly paid employees receive benefits based on years of service. Salaried employee benefits are typically based on years of service and salary history. In Great Britain, employee benefits are based on years of service and an employee’s final salary before retirement.

Changes in defined benefit obligations and plan assets

The reconciliation of the changes in the defined benefit obligations and the fair value of plan assets are as follows:

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	Germany	Outside Germany	Germany	Outside Germany
Change in defined benefit obligations (DBO):				
DBO at beginning of fiscal year	6,308	2,356	5,653	2,101
Service cost	90	35	78	33
Interest cost	249	102	268	92
Participant contributions	0	10	0	12
Past service cost	0	1	0	0
Actuarial (gains)/losses	(539)	(15)	1,044	248
Acquisitions/(divestitures)	(40)	(4)	(89)	(40)
Curtailments and settlements	0	(273)	(2)	(2)
Currency differences	0	40	0	96
Benefit payments	(415)	(151)	(410)	(121)
Others	0	0	0	0
DBO at end of fiscal year	5,653	2,101	6,542	2,419
Change in plan assets:				
Fair value of plan assets at beginning of fiscal year	213	1,840	192	1,594
Expected return on plan assets	13	111	12	102
Actuarial gains/(losses)	(18)	(71)	6	115
Acquisitions/(divestitures)	(4)	(3)	3	(23)
Employer contributions	0	130	0	111
Participant contributions	0	10	0	12
Settlements	0	(318)	0	0
Currency differences	0	33	0	77
Benefit payments	(12)	(138)	(13)	(106)
Others	0	0	0	0
Fair value of plan assets at end of fiscal year	192	1,594	200	1,882

As of the balance sheet date, defined benefit obligations related to plans that are wholly unfunded amount to €6,131 million (2011: €5,351 million) and defined benefit obligations that relate to plans that are wholly or partly funded amount to €2,830 million (2011: €2,403 million).

Actual return which amounts to €235 million (2011: €35 million) is calculated as the total of expected return on plan assets and actuarial gains and losses, respectively.

Funded status and net amount recognized

The following represents the funded status of these plans resulting from the difference of defined benefit obligations and fair value of plan assets including a reconciliation to the net amount recognized:

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	Germany	Outside Germany	Germany	Outside Germany
Funded status at end of fiscal year	(5,461)	(507)	(6,342)	(537)
Not recognized as an asset due to asset ceiling	0	4	0	3
Unrecognized past service cost	0	(37)	0	(35)
Net amount recognized	(5,461)	(540)	(6,342)	(569)
Amounts recognized in the consolidated balance sheets consist of:				
Other non-financial assets	0	6	0	11
Accrued pension liability	(5,461)	(546)	(6,342)	(580)
Net amount recognized	(5,461)	(540)	(6,342)	(569)

Net periodic pension cost

The net periodic pension cost for the defined benefit plans were as follows:

MILLION €

	Year ended Sept. 30, 2011		Year ended Sept. 30, 2012	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	90	35	78	33
Interest cost	249	102	268	92
Expected return on plan assets	(13)	(111)	(12)	(102)
Past service cost	0	1	0	0
Settlement and curtailment loss/(gain)	0	45	(2)	(1)
Net periodic pension cost	326	72	332	22

The above presented net periodic pension cost for defined benefit plans in the amount of €332 million (2010/2011: €326 million) in Germany and of €22 million (2010/2011: €72 million) outside Germany include €17 million (2010/2011: €17 million) and €1 million (2010/2011: €1 million), respectively, attributable to discontinued operations. These costs are presented in income/(loss) from discontinued operations in the consolidated statement of income.

Assumptions

The assumptions for discount rates, the rates of compensation increase and the rates of pension progression on which the calculation of the obligations is based were derived in accordance with standard principles and established for each country as a function of their respective economic conditions. Discount rates are generally determined based on market yields of AA-rated corporate bonds of appropriate term and currency. As a result of numerous ratings downgrades for euro corporate bonds and the strong volatility of the financial markets, the discount rate used for pension obligations in Germany at September 30, 2012 was 3.60% compared with 5.00% a year earlier.

The expected return on plan assets is determined based on detailed studies conducted by the plans' third party investment and actuarial advisors. The studies take into consideration the long-term historical returns and the future estimates of long-term investment returns based on the target asset allocation.

The Group applied the following weighted average assumptions to determine benefit obligations:

%

	Sept. 30, 2011		Sept. 30, 2012	
	Germany	Outside Germany	Germany	Outside Germany
Weighted-average assumptions:				
Discount rate	5.00	4.41	3.60	3.44
Rate of compensation increase	2.50	2.16	2.50	1.99
Rate of pension progression	1.26	1.75	1.50	1.76
Expected return on plan assets	6.00	6.07	6.00	6.33

Alternative discount rates (weighted-average rate of all domestic and foreign pension obligations) would result in the following changes in the defined benefit obligation and the corresponding reverse changes in equity.

Discount rate (%)	Change of the defined benefit obligation (€ million)
3.00	563
3.25	309
3.50	58
3.75	(186)
4.00	(423)

Plan assets

In the Group, the majority of reported plan assets associated with the funded pension plans are located in the USA, Great Britain and to a lesser extent in Germany and some other European countries. The Group invests in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The asset classes include national and international stocks, fixed income government and non-government securities and real estate. Plan assets do not include any direct investments in ThyssenKrupp debt securities, equity securities or real estate.

The Group uses professional investment managers to invest plan assets based on specific investment guidelines developed by the plans' Investment Committees. The Investment Committees consist of senior financial management especially from treasury and other appropriate executives. The Investment Committees meet regularly to approve the target asset allocations, and review the risks and performance of the major pension funds and approve the selection and retention of external managers.

The Group's target portfolio structure has been developed based on asset-liability studies that were performed for the major pension funds within the Group.

The pension plan asset allocation and target allocation are as follows:

	Plan assets as of		Target allocation
	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2013
Equity securities	36%	43%	35-50%
Debt securities	55%	49%	40-55%
Real estate/other	9%	8%	0-10%
Total	100%	100%	

In general, the Group's funding policy is to contribute amounts to the plans sufficient to meet the minimum statutory funding requirements relevant in the country in which the plan is located. In the USA, certain plans require minimum funding based on collective bargaining agreements. The Group may from time to time make additional contributions at its own discretion. ThyssenKrupp's expected contribution in fiscal year 2012/2013 is €89 million related to its funded plans, all of which is expected to be as cash contributions.

Pension benefit payments

In fiscal year 2011/2012, pension benefit payments to the Group's German and Non-German plans were €410 million (2010/2011: €415 million) and €121 million (2010/2011: €151 million) respectively. The estimated future pension benefits to be paid by the Group's defined benefit pension plans are as follows:

MILLION €

	Germany	Outside Germany
(for fiscal year)		
2012/2013	436	120
2013/2014	424	119
2014/2015	424	122
2015/2016	424	124
2016/2017	416	124
2017/2018-2021/2022	2,001	644
Total	4,125	1,253

Multi-year overview

Amounts recognized for the current and the previous periods for defined benefit pension plans are as follows:

MILLION €

	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2012
Present value of defined benefit obligation	6,938	7,754	8,664	7,754	8,961
Fair value of plan assets	1,724	1,692	2,053	1,786	2,082
Surplus/(deficit) in the plans	(5,214)	(6,062)	(6,611)	(5,968)	(6,879)
Experience adjustments on plan liabilities	(47)	25	65	(1)	(36)
Experience adjustments on plan assets	(345)	(23)	60	(89)	123

Defined Contribution Plans

The Group also maintains domestic and foreign defined contribution plans. Amounts contributed by the Group under such plans are based upon percentage of the employees' salary or the amount of contributions made by the employees. The total cost of pension plans accounted for as defined contribution plans in the current fiscal year was €128 million (2010/2011: €111 million). In addition, contributions paid to public/state pension insurance institutions amounted to €615 million (2010/2011: €666 million).

Accrued postretirement obligations other than pensions

The Group provides certain postretirement health care and life insurance benefits to retired employees in the USA who meet certain minimum requirements regarding age and length of service. The plans primarily relate to the retained assets and liabilities of ThyssenKrupp Budd. The plans existing in Canada were settled in cash in fiscal year 2010/2011.

In December 2003, the US government signed into law the Medicare Prescription Drug, Improvement and Modernization Act. This law provides for a federal subsidy to sponsors of retiree health care benefit plans that provide benefit that is at least actuarially equivalent to the benefit established by the law. The Group accounts for these federal subsidies as reimbursement rights in accordance with IAS 19.

Changes in accumulated postretirement benefit obligations and reimbursement rights

The changes in accumulated postretirement benefit obligations and reimbursement rights are as follows:

MILLION €

	Sept. 30, 2011 USA/Canada	Sept. 30, 2012 USA
Change in accumulated postretirement benefit obligation:		
Accumulated postretirement benefit obligation at beginning of fiscal year	1,188	1,017
Service cost	7	4
Interest cost	54	42
Past service cost	0	(63)
Actuarial (gains)/losses	(83)	(63)
Acquisitions/(divestitures)	0	(89)
Curtailments and settlements	(115)	0
Currency differences	12	43
Benefit payments	(46)	(41)
Accumulated postretirement benefit obligation at end of fiscal year	1,017	850
Change in reimbursement rights relating to postretirement benefits:		
Fair value of reimbursement rights at beginning of fiscal year	94	88
Expected return on reimbursement rights	4	3
Actuarial gains/(losses)	(9)	(90)
Currency differences	1	3
Benefit payments	(2)	(4)
Fair value of reimbursement rights at end of fiscal year	88	0

Funded status and net amount recognized

The following represents the funded status of these plans including the reconciliation to the net amount recognized:

MILLION €

	Sept. 30, 2011 USA/Canada	Sept. 30, 2012 USA
Funded status at end of fiscal year	(1,017)	(850)
Unrecognized past service cost	(63)	0
Net amount recognized for postretirement obligations other than pensions	(1,080)	(850)

Net periodic postretirement benefit cost

The net periodic postretirement benefit cost for health care obligations is as follows:

MILLION €

	Year ended Sept. 30, 2011 USA/Canada	Year ended Sept. 30, 2012 USA
Service cost	7	4
Interest cost	54	42
Expected return on reimbursement rights	(4)	(3)
Past service cost	(6)	(37)
Settlement and curtailment loss/(gain)	(90)	0
Net periodic postretirement benefit cost	(39)	6

Assumptions

The determination of the accumulated postretirement benefit obligations is based on the following weighted average assumptions:

%

	Sept. 30, 2011 USA/Canada	Sept. 30, 2012 USA
Weighted-average assumptions:		
Discount rate	4.75	3.50
Health care cost trend rate for the following year	9.62	9.36
Ultimate health care cost trend rate (expected in 2032)	5.00	5.00

The effects of a one-percentage-point increase or decrease in the assumed health care cost trend rates are as follows:

MILLION €

	one-percentage-point	
	Increase	Decrease
Effect on service and interest cost components	7	(6)
Effect on postretirement benefit obligation	150	(119)

Multi-year overview

Amounts recognized for the current and the previous period for postretirement obligations other than pensions are as follows:

MILLION €

	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2012
Present value of defined benefit obligation	1,013	1,040	1,188	1,017	850
Fair value of reimbursement rights	83	76	94	88	0
Surplus/(deficit)	(1,013)	(1,040)	(1,188)	(1,017)	(850)
Experience adjustments on plan liabilities	(41)	(1)	11	9	20
Experience adjustments on reimbursement rights	0	1	1	(2)	1

Other accrued pension related obligations

In particular German companies have obligations resulting from partial retirement agreements. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in installments after retirement. For these obligations, accruals in the amount of €267 million (2011: €150 million) were recognized in accordance with IAS 19 “Employee Benefits”.

16 Provisions for employee benefits and other provisions

MILLION €

	Employee benefits	Product warranties and product defects	Other contractual costs	Restruc-turings	Decom-missioning obligations	Environ-mental obligations	Litigation risks	Other obligations	Total	Additional information: Presentation of disposal groups, discontinued operations
Balance as of Sept. 30, 2011	497	475	110	156	192	22	144	551	2,147	210
Currency differences	3	14	1	0	0	0	(1)	5	22	2
Acquisitions/(divestitures)	2	0	(1)	(5)	3	1	2	(2)	0	(44)
Additions	300	186	58	110	61	1	52	221	989	110
Accretion	9	1	0	4	(5)	1	2	2	14	6
Amounts utilized	(255)	(73)	(37)	(81)	(9)	(1)	(30)	(114)	(600)	(59)
Reversals	(42)	(113)	(34)	(18)	(14)	0	(38)	(186)	(445)	(24)
Reclassification due to the presentation as liabilities associated with assets held for sale	(3)	(2)	(9)	(4)	(1)	0	(7)	(1)	(27)	27
Balance as of Sept. 30, 2012	511	488	88	162	227	24	124	476	2,100	228

As of September 30, 2012, €1,308 million (2011: €1,499 million) of the total of provisions for employee benefits and other provisions are current, while €792 million (2011: €648 million) are non-current. Provisions of €945 million (2011: €625 million) have a remaining term of more than 1 year.

Provisions for employee compensation and benefit costs primarily represent employment anniversary bonuses and obligations for the management incentive plans, while social plan and related costs pertaining to personnel related structural measures are reflected in the provision for restructuring activities. Pension related obligations for partial retirement agreements and early retirement programs, partly resulting from restructurings, are part of the provision for pensions and similar obligations.

Product warranties and product defects represent the Group's responsibility for the proper functioning of the goods sold (product warranty) as well as the obligation that arise from the use of the products sold (product defect).

Provisions for other contractual costs represent pending losses from uncompleted contracts.

The provision for restructurings consists of provisions for employee termination benefits and exit costs which have been established by operating divisions for costs incurred in connection with activities which do not generate any future economic benefits for the Group. The additions to restructuring provisions in the fiscal year in the amount of €110 million result in particular from the Elevator Technology and Components Technology business areas.

The provision for decommissioning obligations mainly consists of obligations associated with mining activities and recultivating landfills. Obligations associated with mining activities and recultivating landfills are generally handled over long periods of time, in some cases more than 30 years. The technical parameters are very complex. As a result, uncertainty exists with regard to the timing and concrete amount of the expenses.

Provisions for environmental obligations refer primarily to rehabilitating contaminated sites, redevelopment and water protection measures.

Provisions for litigation risks include €30 million for further risks in connection with ongoing investigations by the Federal Cartel Office into the rail cartel, as well as an amount in the low two-digit millions for the costs of defending claims in connection with the elevator cartel. For filed claims for damages, provisions for litigation risks are recognized insofar as individual claims meet the requirements of IAS 37 for probability of occurrence and can be reliably estimated.

17 Financial debt

CARRYING AMOUNTS IN MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Bonds	3,738	3,983
Notes payable	779	529
Liabilities to financial institutions	1,891	570
Finance lease liabilities	50	44
Other loans	36	130
Non-current financial debt	6,494	5,256
Bonds	0	1,001
Notes payable	0	250
Liabilities to financial institutions	135	642
Acceptance payables	13	13
Finance lease liabilities	18	13
Other loans	12	10
Current financial debt	178	1,929
Financial debt	6,672	7,185

Current financial debt includes financial debt with a remaining term up to one year, while the non-current financial debt has a remaining term of more than one year.

Financial debt in the amount of €6 million (2011: €5 million) is collateralized by real estate.

As of September 30, 2012, the financial debt reflects a total discount in the amount of €19 million (2011: €18 million), which is offset by a total premium in the amount of €1 million (2011: €5 million). Amortization of discounts and premiums of financial debt is included in “financial income/(expense), net”.

In the context of the presentation of disposal groups and discontinued operations financial debt of €968 million (2011: €480 million) were reclassified to the balance sheet line item “liabilities associated with assets held for sale”.

BONDS, NOTES PAYABLE

	Carrying amount in million € Sept. 30, 2011	Carrying amount in million € Sept. 30, 2012	Notional amount in million € Sept. 30, 2012	Interest rate in %	Fair value in million € Sept. 30, 2012	Maturity Date
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2013	1,004	1,001	1,000	6.750	1,022	02/25/2013
ThyssenKrupp Finance Nederland B.V. bond (€1,000 million) 2009/2016	992	994	1,000	8.500	1,136	02/25/2016
ThyssenKrupp AG bond (€1,000 million) 2009/2014	993	995	1,000	8.000	1,088	06/18/2014
ThyssenKrupp AG bond (€750 million) 2005/2015	749	750	750	4.375	791	03/18/2015
ThyssenKrupp AG bond (€1,250 million) 2012/2017	—	1,244	1,250	4.375	1,281	02/28/2017
ThyssenKrupp AG note loan (€100 million) 2008/2013	100	100	100	5.150	104	04/15/2013
ThyssenKrupp AG note loan (€150 million) 2008/2013	150	150	150	5.300	156	04/25/2013
ThyssenKrupp AG note loan (€150 million) 2008/2014	150	150	150	5.375	161	05/21/2014
ThyssenKrupp AG note loan (€80 million) 2008/2016	80	80	80	5.710	89	09/15/2016
ThyssenKrupp AG note loan (€50 million) 2011/2016	50	50	50	4.750	55	03/11/2016
ThyssenKrupp AG note loan (€150 million) 2011/2016	150	150	150	4.900	166	03/11/2016
ThyssenKrupp AG note loan (€50 million) 2011/2016	50	50	50	4.750	55	03/29/2016
ThyssenKrupp AG note loan (€50 million) 2011/2016	49	49	50	4.750	55	04/12/2016
Total	4,517	5,763	5,780		6,159	

In February 2012 ThyssenKrupp AG issued a €1.25 billion bond that has a five year maturity.

ThyssenKrupp AG has assumed the unconditional and irrevocable guarantee for the payments pursuant to the terms and conditions of the bond of ThyssenKrupp Finance Nederland B.V.

As of September 30, 2012, the financing structure of liabilities to financial institutions and other loans comprise the following:

LIABILITIES TO FINANCIAL INSTITUTIONS, OTHER LOANS

	Carrying amount in million € Sept. 30, 2011	Carrying amount in million € Sept. 30, 2012	Amount thereof in Euro	Weighted average interest rate % Sept. 30, 2012	Amount thereof in USD	Weighted average interest rate % Sept. 30, 2012	Amount thereof in other currencies	Fair value in million € Sept. 30, 2012
Bilateral credits (at variable interest rates)	—	—	—	—	—	—	—	—
Other credits at variable interest rates	973	318	31	1.70	231	2.18	56	318
Credits at fixed interest rates	1,101	1,034	852	5.64	7	0.00	175	1,084
Total	2,074	1,352	883	5.50	238	2.12	231	1,402

As of September 30, 2012, ThyssenKrupp has available a €2.5 billion syndicated joint credit multi-currency-facility agreement. The agreement was fixed in July 2005 and has a term until July 01, 2014. The facility agreement was not utilized as of the balance sheet date.

As in the previous year, the agreed gearing limit of 150% was not exceeded as of September 30, 2012. Refer also to the statement in the Management report on the Group in chapter “Central financing and maintenance of liquidity“ which is part of the presentation of the “Financial position“.

Another component of financial debt are revolving credit agreements with banking institutions whereby ThyssenKrupp AG, ThyssenKrupp Finance USA, Inc. or ThyssenKrupp Finance Nederland B.V. can borrow in Euros, U.S. dollars or in British pounds Sterling up to €1.9 billion. Of these facilities, 68% have a remaining term of more than 5 years and 32% a remaining term of up to 5 years. As of September 30, 2012, no cash loans were outstanding.

In total the Group has available unused, committed credit lines amounting to €4.4 billion. The ten biggest banks together hold a share of 53%.

The Group’s Commercial Paper Program also provides up to €1.5 billion in additional financing. As of September 30, 2012, the program was also not used. The possibility of using the Commercial Paper Program depends on the receptiveness of the market.

As of the balance sheet date the future minimum lease payments reconcile to their present value (= finance lease liability) as follows:

MILLION €

	Sept. 30, 2011			Sept. 30, 2012		
	Future minimum lease payments	Interest	Present value (finance lease liabilities)	Future minimum lease payments	Interest	Present value (finance lease liabilities)
Not later than one year	23	5	18	17	4	13
Between one and five years	41	12	29	35	10	25
Later than five years	28	7	21	32	13	19
Total	92	24	68	84	27	57

Maturity of financial debt is as follows:

MILLION €

	Total financial debt	thereof: Liabilities to financial institutions
(for fiscal year)		
2012/2013	1,929	642
2013/2014	1,649	462
2014/2015	863	103
2015/2016	1,379	1
2016/2017	1,249	1
thereafter	116	3
Total	7,185	1,212

18 Trade accounts payable

Trade accounts payable in the amount of €73 million (2011: €18 million) have a remaining term of more than 1 year.

19 Other financial liabilities

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	current	non-current	current	non-current
Financial liabilities measured at amortized cost*	860	1	681	1
Derivatives that do not qualify for hedge accounting	282	—	71	—
Derivatives that qualify for hedge accounting	96	—	96	—
Total*	1,238	1	848	1

* Prior year figure adjusted.

Other financial liabilities amounting to €28 million (2011: €1 million) have a remaining term of more than 1 year.

20 Other non-financial liabilities

MILLION €

	Sept. 30, 2011		Sept. 30, 2012	
	current	non-current	current	non-current
Amounts due to customers for construction work*	3,857	—	4,862	—
Advance payments	1,159	—	1,239	—
Selling and buying market related liabilities	815	—	699	—
Liabilities due to put options	19	—	18	—
Liabilities to the employees	778	—	706	—
Liabilities for social security	100	—	84	—
Deferred income	26	—	23	—
Tax liabilities (without income taxes)	293	—	157	—
Other*	285	7	311	8
Total	7,332	7	8,099	8

* Prior year figure adjusted.

Other non-financial liabilities amounting to €1,729 million (2011: €440 million) have a remaining term of more than 1 year.

Amounts due to customers for construction work are calculated as follows:

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Contract costs incurred and recognized contract profits (less recognized losses)	7,348	8,313
Less advance payments received	(11,205)	(13,175)
Total*	(3,857)	(4,862)

* Prior year figure adjusted.

21 Contingencies and commitments

Contingencies

ThyssenKrupp AG as well as, in individual cases, its subsidiaries have issued or have had guarantees issued in favour of customers or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated Group company.

MILLION €

	Maximum potential amount of future payments as of		Provision as of	
	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012
Advance payment bonds	320	232	1	1
Performance bonds	106	161	1	1
Third party credit guarantee	45	53	0	0
Residual value guarantees	60	61	2	2
Other guarantees	31	35	0	0
Total	562	542	4	4

Guarantees include contingent liabilities of associates of €2 million (2011: €6 million) and contingent liabilities of joint ventures of €422 million (2011: €355 million) of. Contingent liabilities of joint ventures include €183 million (2011: €89 million) that apply to the shares of the other joint venturers.

The terms of these guarantees depend on the type of guarantee and may range from three months to ten years (e.g. rental payment guarantees).

The basis for possible payments under the guarantees is always the non-performance of the principal debtor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract, non-performance with respect to the warranted quality or default under a loan agreement.

All guarantees are issued by or issued by instruction of ThyssenKrupp AG or subsidiaries upon request of the principal debtor obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. Is such a principal debtor is a company owned fully or partially by a foreign third party, such third party is generally requested to provide additional collateral in a corresponding amount.

ThyssenKrupp bears joint and several liability as a member of certain civil law partnerships, ordinary partnerships and consortiums.

Former stockholders of Thyssen and of Krupp have petitioned per Art. 305 UmwG (Reorganization Act) for a judicial review of the share exchange ratios used in the merger of Thyssen AG and Fried. Krupp AG Hoesch-Krupp to form ThyssenKrupp AG. The proceedings are pending with the Düsseldorf Regional Court. Should a ruling be made in favour of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment also would be required to be made to all affected stockholders, even if they were not petitioners in the judicial proceedings. However, the Group expects no such payments to become due as the exchange ratios were duly determined, negotiated between unrelated parties and audited and confirmed by the auditor that has been appointed by court, and differ only insignificantly from the value ratio determined by the expert appointed by the Düsseldorf Regional Court.

In connection with the so-called rail cartel, certain customers have announced their intention to file claims for damages. Talks on a settlement are being held with individual customers, including Deutsche Bahn. The amount of possible claims has not yet been quantified. It is not yet possible to reliably estimate the financial consequences for ThyssenKrupp. ThyssenKrupp GfT Gleistechnik GmbH has recognized a provision of €30 million for further risks in connection with ongoing investigations into the rail cartel by the Federal Cartel Office.

Claims for damages have been filed against ThyssenKrupp AG and companies of the ThyssenKrupp Group in connection with the elevator cartel. The validity of these claims is being examined. Provisions for litigation risks are recognized where individual claims meet the requirements of IAS 37 for probability of occurrence and can be reliably estimated.

In addition further legal and arbitration actions and official investigations and proceedings as well as claims have been filed against ThyssenKrupp companies or may be initiated or filed in the future. They include for example legal, arbitration and out-of-court disputes in connection with the acquisition or disposal of companies or company units which may lead to partial repayment of the purchase price or to the payment of damages. Furthermore, damage claims may be payable to contractual partners, customers, consortium partners and subcontractors under performance contracts. Predicting the progress and results of lawsuits involves considerable difficulties and uncertainties. This means that lawsuits not disclosed separately could also individually or together with other legal disputes have a negative and also potentially major future impact on the Group's net assets, financial position and results of operations. However, at present ThyssenKrupp does not expect pending lawsuits not explained separately in this section to have a major negative impact on the Group's net assets, financial position and results of operations.

Commitments and other contingencies

The Group is the lessee to property, plant and equipment classified as operating leases. Rental expense amounting to €330 million (2010/2011: €329 million) resulting from rental contracts, long-term leases and leasing contracts classified as operating leases was incurred in fiscal 2011/2012. It comprises as follows:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Minimum rental payments	329	329
Contingent rental payments	0	1
less income from sublease agreements	0	0
Total	329	330

The future minimum rental payments, excluding accrued interest from such non-cancellable contracts that have an initial or remaining term of more than one year as of the balance sheet date are (at face amounts):

MILLION €

	Sept. 30, 2011	Sept. 30, 2012
Not later than one year	226	225
Between one and five years	526	516
Later than five years	234	170
Total	986	911

The future minimum rental income from non-cancelable sublease contracts amounting to €1 million (2010/2011: €2 million) is not included in the total of future minimum rental payments.

The commitment to enter into investment projects amounts to €874 million (2011: €922 million) as of September 30, 2012 and relates mainly to property, plant and equipment of the Steel Europe, Stainless Global and Components Technology business areas.

Payment commitments and obligations to make further contributions to corporations and cooperative associations exist in the total amount of €3 million (2011: €3 million). In addition, other financial commitments exist in the amount of €4,188 million (2011: €5,033 million), primarily from the commitments to purchase coking coal, coal and lime under long term supply contracts and obligations under ship-charter contracts in the Steel Europe and Steel Americas business areas as well as purchasing commitments resulting from the Group's electricity and gas supply contracts. In addition, in the Steel Europe and Steel Americas business areas long term iron ore and iron ore pellets supply contracts exist which will result in purchasing commitments over a period of up to 12 years. Due to the high volatility of iron ore prices, the measurement of the complete purchasing commitments is based on the iron ore price as of the current balance sheet date resulting in purchasing commitments of €15,569 million (2011: €28,425 million) in total.

Based on the risk bearing ability of the Group or the Group companies, there exist adequate deductibles in the various classes of insurance. One or more damages at these units could impact the Group's net assets, financial position and results of operations.

22 Financial instruments

The following table shows financial assets and liabilities by measurement categories and classes. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category.

MILLION €

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
	Carrying amount on balance sheet Sept. 30, 2011	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Sept. 30, 2011
Trade accounts receivable, net (excluding finance lease)*	5,134	5,134				5,134
Loans and receivables		5,134				5,134
Finance lease receivables	4				4	4
Other financial assets*	570	338	137	95		570
Loans and receivables		291				291
Available-for-sale financial assets		47		13		60
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			137			137
Derivatives that qualify for hedge accounting			0	82		82
Cash and cash equivalents	3,230	3,230				3,230
Loans and receivables		3,230				3,230
Total of financial assets	8,938					
thereof by measurement categories of IAS 39:						
Loans and receivables	8,655	8,655				8,655
Available-for-sale financial assets	60	47		13		60
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	137		137			137
Financial debt (excluding finance lease)	6,604	6,604				6,929
Financial liabilities measured at amortized cost		6,604				6,929
Finance lease liabilities	68				68	68
Trade accounts payable*	4,926	4,926				4,926
Financial liabilities measured at amortized cost		4,926				4,926
Other financial liabilities*	1,239	861	282	96		1,239
Financial liabilities measured at amortized cost		861				861
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			282			282
Derivatives that qualify for hedge accounting			0	96		96
Total of financial liabilities	12,837					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	12,391	12,391				12,716
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	282		282			282

* Prior year figure adjusted.

MILLION €

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
	Carrying amount on balance sheet Sept. 30, 2012	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Sept. 30, 2012
Trade accounts receivable, net (excluding finance lease)	5,123	5,123				5,123
Loans and receivables		5,123				5,123
Finance lease receivables	3				3	3
Other financial assets	374	301	50	23		374
Loans and receivables		251				251
Available-for-sale financial assets		50		13		63
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			50			50
Derivatives that qualify for hedge accounting			0	10		10
Cash and cash equivalents	2,221	2,221				2,221
Loans and receivables		2,221				2,221
Total of financial assets	7,721					
thereof by measurement categories of IAS 39:						
Loans and receivables	7,595	7,595				7,595
Available-for-sale financial assets	63	50		13		63
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	50		50			50
Financial debt (excluding finance lease)	7,128	7,128				7,574
Financial liabilities measured at amortized cost		7,128				7,574
Finance lease liabilities	57				57	57
Trade accounts payable	3,514	3,514				3,514
Financial liabilities measured at amortized cost		3,514				3,514
Other financial liabilities	849	682	71	96		849
Financial liabilities measured at amortized cost		682				682
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			71			71
Derivatives that qualify for hedge accounting			0	96		96
Total of financial liabilities	11,548					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	11,324	11,324				11,770
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	71		71			71

The carrying amounts of trade accounts receivable, other current receivables as well as cash and cash equivalents equal their fair values. The fair value of fixed rate loans equals the present value of expected cash flows which are discounted on the basis of interest rates prevailing on the balance sheet date.

Available-for-sale financial assets primarily include equity and debt instruments. They are in general measured at fair value, which is based to the extent available on market prices as of the balance sheet date. When no quoted market prices in an active market are available and the fair value cannot be reliably measured, available-for-sale financial assets are measured at cost.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts receivable and other current liabilities equal their fair values. The fair value of fixed rate liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities equal their fair values.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

MILLION €

	Balance as of Sept. 30, 2011	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	137	0	137	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	13	11	2	0
Derivatives that qualify for hedge accounting	82	0	82	0
Total	232	11	221	0
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	282	0	282	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	96	0	96	0
Total	378	0	378	0

MILLION €

	Balance as of Sept. 30, 2012	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	50	0	50	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	13	11	2	0
Derivatives that qualify for hedge accounting	10	0	10	0
Total	73	11	62	0
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	71	0	71	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	96	0	96	0
Total	167	0	167	0

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in Level 1. In Level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs.

The following table shows net gains and losses from financial instruments by measurement categories. Gains or losses arising from finance lease and from derivatives that qualify for hedge accounting are not included, as they are not part of any IAS 39 measurement category.

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Loans and receivables	341	320
Available-for-sale financial assets	10	15
Derivatives that do not qualify for hedge accounting (Financial assets/liabilities held for trading)	103	(16)
Financial liabilities measured at amortized cost	(684)	(728)

Net gains under “loans and receivables” mainly comprises interest on financial receivables, gains and losses on foreign currency receivables and changes in valuation allowances.

The category “available-for-sale financial assets” mainly includes current earnings from equity and debt instruments, gains or losses on their disposal as well as impairments.

Gains and losses arising from changes in fair value of foreign currency, interest rate and commodity derivatives that do not comply with the hedge accounting requirements under IAS 39 are included in the “derivatives that do not qualify for hedge accounting” category.

The category “financial liabilities measured at amortized cost” mainly comprises of interest expenses on financial liabilities, gains and losses on foreign currency liabilities as well as income resulting from capitalized borrowing cost.

Included in net gains and loses are exchange differences of €(6) million (2010/2011: €(18) million).

Derivative financial instruments

The Group uses various derivative financial instruments, including foreign currency forward contracts, foreign currency options, interest rate swaps, cross currency swaps and commodity forward contracts. Derivative financial instruments are generally used to hedge existing or anticipated underlying transactions so as to reduce foreign currency, interest rate and commodity price risks.

The following table shows the notional amounts and fair values of derivatives used within the Group:

MILLION €

	Notional amount Sept. 30, 2011	Carrying amount Sept. 30, 2011	Notional amount Sept. 30, 2012	Carrying amount Sept. 30, 2012
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	2,275	68	1,594	33
Foreign currency derivatives qualifying as cash flow hedges	2,026	63	50	1
Embedded derivatives	128	5	51	1
Interest rate derivatives that do not qualify for hedge accounting*	0	0	0	0
Interest rate derivatives qualifying as cash flow hedges*	299	5	172	5
Interest rate derivatives qualifying as fair value hedges*	0	0	0	0
Commodity derivatives that do not qualify for hedge accounting	400	64	189	16
Commodity derivatives qualifying as cash flow hedges	111	14	32	4
Commodity derivatives qualifying as fair value hedges	0	0	0	0
Total	5,239	219	2,088	60
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	5,062	235	4,836	49
Foreign currency derivatives qualifying as cash flow hedges	357	38	189	5
Embedded derivatives	70	2	61	3
Interest rate derivatives that do not qualify for hedge accounting*	0	0	0	0
Interest rate derivatives qualifying as cash flow hedges*	750	35	1,122	70
Interest rate derivatives qualifying as fair value hedges*	0	0	0	0
Commodity derivatives that do not qualify for hedge accounting	287	45	275	19
Commodity derivatives qualifying as cash flow hedges	97	23	176	21
Commodity derivatives qualifying as fair value hedges	0	0	0	0
Total	6,623	378	6,659	167

* inclusive of cross currency swaps

Derivatives that qualify for hedge accounting

Hedge accounting in accordance with IAS 39 is used to hedge foreign currency risks of firm commitments, future receivables and liabilities denominated in foreign currency, commodity price risks arising from sales and purchase transactions, and interest rate and foreign currency risks from non-current financings.

Cash flow hedges

Cash flow hedges are mainly used to hedge future cash flows against foreign currency and commodity price risks arising from future sales and purchase transactions as well as interest rate and foreign currency risks from non-current liabilities. These derivatives are measured at fair value, divided into an effective and ineffective portion. Until realization of the hedged underlying transaction, the effective portion of fluctuations in fair value of these derivatives is recognized directly in equity in the cumulative other comprehensive income position, while the ineffective portion is recognized in profit or loss. The cumulative gain or loss recognized in equity is reclassified to profit or loss in the same period during which the future underlying transactions (hedged items) affect profit or loss. As of 30 September 2012, hedging instruments with positive fair value totaled €10 million (2011: €82 million) and those with negative fair value totaled €96 million (2011: €96 million). For the 2011/2012 fiscal year, €(53) million (2010/2011: €1 million) (before tax) in unrealized gains or losses have been recognized directly in equity in the cumulative other comprehensive income position. Cash flows from future transactions are currently hedged for a maximum of 60 months.

During the current fiscal year, €(6) million (2011: €(2) million) of cumulative other comprehensive income were reclassified to sales in profit or loss as a result of the underlying transactions being realized during the year. €0.1 million (2011: €(0.4) million) thereof are included in discontinued operations. In addition, €125 million (2011: €74 million), thereof €2 million (2011: €4 million) in discontinued operations, of cumulative other comprehensive income were reclassified to decrease cost of inventories, as the hedged commodities were recognized, although the underlying transaction had not yet been taken to profit or loss. This resulted in decreased expenses of €69 million, thereof €1 million in discontinued operations in 2011/2012; in the subsequent fiscal year a reduction of expense of €56 million, thereof €1 million in discontinued operations, of that reclassified amount is expected to impact earnings. Furthermore, €19 million (2011: €5 million) of cumulative other comprehensive income were reclassified and increased (2011: decreased) cost of property, plant and equipment. This reclassification applies in total to discontinued operations. Thereof income of €1 million impacted earnings in 2011/2012. In addition, €1 million of that reclassified amount is expected to impact earnings in 2012/2013 and €17 million in subsequent fiscal years.

As of September 30, 2012, net income from the ineffective portions of derivatives classified as cash flow hedges totaled 0 (2010/2011: €(22) million).

The cancellation of cash flow hedges during the current fiscal year resulted in earnings of €0 million (2010/2011: 0) due to reclassification from cumulative other comprehensive income. These fluctuations in fair value of derivatives originally recognized in equity were reclassified to profit or loss when the hedged underlying transaction was no longer probable to occur.

In the subsequent fiscal year fluctuations in fair value of derivatives included in cumulative other comprehensive income as of the reporting date is expected to impact earnings by income of €0 million. During the 2013/2014 fiscal year, earnings are expected to be impacted by expenses of €14 million, during the 2014/2015 fiscal year by expenses of €23 million and during the following fiscal years by expenses of €19 million.

Fair value hedges

Fair value hedges are mainly used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks as well as to hedge interest rate risks. These commodity and interest rate derivatives are measured at fair value. The carrying amounts of the corresponding underlying transactions are adjusted for the change of the fair values of the hedged risks. As of September 30, 2012, hedging instruments with positive fair value totalled €0 million (2011: 0) and those with negative fair value totalled €0 million (2011: 0). Fluctuations in fair value are recognized immediately in profit or loss under sales, cost of sales or financial income/(expense), net, depending on the type of underlying transaction. During the fiscal year, income/(expense), net from the measurement of fair value hedging instruments totalled €0 million (2010/2011: €1 million), while income/(expense), net from the corresponding underlying transactions during the same period amounted to €0 million (2010/2011: €(1) million).

Derivates that do not qualify for hedge accounting

If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IAS 39, the derivative financial instrument is recognized as a derivative that does not qualify for hedge accounting. The resulting impact on profit or loss is shown in the table on net gains and losses from financial instruments by measurement categories. This item also includes embedded derivatives. They exist in the ThyssenKrupp Group in the way that regular supply and service transactions with suppliers and customers abroad are not concluded in the functional currency (local currency) of either contracting parties.

Financial risks

The management of ThyssenKrupp AG has implemented a risk management system that is monitored by the Supervisory Board. The general conditions for compliance with the requirements for proper and future-oriented risk management within the ThyssenKrupp Group are set out in the risk management principles. These principles aim at encouraging all Group members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The Group guideline on risk management and other Group guidelines specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims at identifying, analyzing, managing, controlling and communicating risks promptly throughout the Group. ThyssenKrupp Group's risk environment is updated at least twice a year by carrying out a risk inventory in all Group companies. The results of the risk inventory process are communicated to both ThyssenKrupp AG's Executive Board and the Supervisory Board's audit committee. Risk management reporting is a continuous process and part of regular Group reporting. Group guidelines and information systems are checked regularly and adapted to current developments. In addition, our Corporate Center Internal Auditing regularly checks whether Group companies comply with risk management system requirements.

Being a global Group, ThyssenKrupp is exposed to credit, liquidity and market risks (foreign currency, interest rate and commodity price risks) during the course of ordinary activities. The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivate and non-derivative hedging instruments.

Credit risk (counterparty default risk)

To the Group, financial instruments bear default risk resulting from one party's possible failure to meet its payment obligations, with the maximum default risk being equal to the positive fair value of the respective financial instrument. During crises, default risks take on greater significance; we are managing them very carefully by our business policy. In order to minimize default risk, the ThyssenKrupp Group only enters into financial instruments for financing purposes with contracting parties that have a very good credit standing or are members of a deposit protection fund. For further risk minimizing transactions are concluded in compliance with specified risk limits. In the operative area, receivables and default risks are monitored by Group companies on an ongoing basis and partially covered by merchandise credit insurance. Risks arising from the delivery of goods to major customers are subject to a special credit watch. In addition, letters of credit and indemnity bonds are used to hedge receivables from major customers. However, receivables from these contracting parties do not reach levels that would result in extraordinary risk concentrations. Default risk is taken into account by valuation allowances.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Managing liquidity risk, and therefore allocating resources and hedging the Group's financial independence, are some of the central tasks of ThyssenKrupp AG. In order to be able to ensure the Group's solvency and financial flexibility at all times, long-term credit limits and cash and cash equivalents are reserved on the basis of perennial financial planning and monthly rolling liquidity planning. Cash pooling and external financing focus primarily on ThyssenKrupp AG and specific financing companies. Despite the partially still difficult market environment as a consequence of the ongoing debt crisis of some countries, our financing is also secured for the next fiscal year.

As in the previous years, the existing gearing covenant was observed as of September 30, 2012. Refer also to the statement in the Management report on the Group in chapter "Central financing and maintenance of liquidity" which is part of the presentation of the "Financial position".

Cash pooling and external financing focus primarily on ThyssenKrupp AG and specific financing companies. Funds are provided internally to Group companies according to need.

The following table shows future undiscounted cash outflows from financial liabilities based on contractual agreements:

MILLION €

	Carrying amount Sept. 30, 2011	Cash flows in 2011/2012	Cash flows in 2012/2013	Cash flows between 2013/2014 and 2015/2016	Cash flows after 2015/2016
Bonds	3,738	265	1,269	3,135	0
Liabilities to financial institutions	2,026	262	779	1,040	553
Finance lease liabilities	68	23	13	28	28
Other financial debt	840	68	296	606	16
Trade accounts payable*	4,926	4,908	4	11	3
Derivative financial liabilities that do not qualify for hedge accounting	282	238	35	9	0
Derivative financial liabilities that qualify for hedge accounting	96	62	9	21	0
Other financial liabiltities	861	859	2	0	0

* Prior year figure adjusted.

MILLION €

	Carrying amount Sept. 30, 2012	Cash flows in 2012/2013	Cash flows in 2013/2014	Cash flows between 2014/2015 and 2016/2017	Cash flows after 2016/2017
Bonds	4,984	1,320	1,253	3,367	0
Liabilities to financial institutions	1,212	712	485	110	1
Finance lease liabilities	57	17	10	25	32
Other financial debt	932	308	194	437	150
Trade accounts payable	3,514	3,441	66	6	1
Derivative financial liabilities that do not qualify for hedge accounting	71	60	5	6	0
Derivative financial liabilities that qualify for hedge accounting	96	17	28	58	0
Other financial liabiltities	682	666	13	2	1

Cash flows from derivatives are offset by cash flows from hedged underlying transactions, which have not been considered in the analysis of maturities. If cash flows from the hedged underlying transactions were also considered, the cash flows shown in the table would be accordingly lower.

The following analysis and amounts determined by means of sensitivity analyses represent hypothetical, future-oriented data that can differ from actual outcomes because of unforeseeable developments in financial markets. Moreover, non-financial or non-quantifiable risks, such as business risks, are not considered here.

Market risks

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to ThyssenKrupp are foreign currency, interest rate, commodity price, and especially raw material price risks. Associated with these risks are fluctuations in income, equity and cash flow. The objective of risk management is to eliminate or limit emerging risks by taking appropriate precautions, especially by applying derivatives. The application of derivatives is subject to strict controls set up on the basis of guidelines as part of regular reporting. The Group primarily concludes over-the-counter (OTC) forward foreign currency transactions, interest rate swaps, cross currency derivatives and commodity forward contracts with banks and trading partners. In addition, exchange-traded futures are used to hedge commodity prices.

Foreign currency risk exposures

The international nature of our business activities generates numerous cash flows in different currencies – especially in US dollars. Hedging the resulting currency risk exposures is an essential part of our risk management.

Group-wide regulations form the basis for ThyssenKrupp Group's currency management. Principally, all group companies are obliged to hedge foreign currency positions at the time of inception. Affiliated companies based in the Euro zone are obliged to submit all unhedged positions from trade activities in major transaction currencies to a central clearing office. Depending on the derivatives' hedging purpose and resulting accounting treatment, the offered positions are either hedged under a portfolio hedge approach or directly hedged with banks on a back-to-back basis taking into account the respective maturity. Financial transactions and the transactions undertaken by our subsidiaries outside the Euro zone are hedged in close cooperation with central Group management. Compliance with the Group's requirements is regularly ascertained by our Corporate Center Internal Auditing.

Foreign currency hedging is used to fix prices on the basis of hedging rates as protection against any unfavorable exchange rate fluctuations in the future. When hedging anticipated production-related ore, coal and coke purchases, favorable developments in the Euro/US dollar exchange rate are also systematically exploited.

Hedging periods are generally based on the maturities of underlying transactions. Foreign currency derivative contracts usually have maturities of twelve months or less, but can also be significantly longer in exceptional cases. The hedging periods for forecasted ore, coal and coke purchases have been established on the basis of a theoretical fair exchange rate (based on purchasing power parity) and the margin of fluctuation between the US dollar and the Euro based on historical data. In accordance with a set pattern, purchases forecasted for a specific period are hedged whenever defined hedging rates are reached.

The US dollar is the only relevant risk variable for sensitivity analyses under IFRS 7, as the vast majority of foreign currency cash flows occurs in US dollars. As hedging transactions are generally used to hedge underlying transactions, opposite effects in underlying and hedging transactions are almost entirely offset over the total period. Thus, the currency risk exposure described here results from hedging relationships with off-balance sheet underlying transactions, i.e. hedges of firm commitments and forecasted sales. Based on our analysis, the US dollar exposure as of September 30, 2012 was as follows:

If the Euro had been 10% stronger against the US dollar as of September 30, 2012, the hedge reserve in equity and fair value of hedging transactions would have been €2 million (2011: €170 million) lower and earnings resulting from the measurement as of the balance sheet date €68 million (2010/2011: €88 million) higher. If the Euro had been 10% weaker against the US dollar as of September 30, 2012, the hedge reserve in equity and fair value of hedging transactions would have been €2 million (2011: €206 million) higher and earnings resulting from the measurement as of the balance sheet date €81 million (2010/2011: €106 million) lower.

Interest rate risk

Due to the international focus of ThyssenKrupp's business activities, the Group procures liquidity to cover its financial needs in international money and capital markets in different currencies and with various maturities. Some of the resulting financial debt and financial investments are exposed to interest rate risk. The Group's central interest rate management manages and optimizes interest rate risk. This includes regular interest analyses. In some cases, the Group uses derivatives to hedge interest rate risk. These instruments are contracted with the objective of minimizing interest rate volatilities and finance costs for underlying transactions.

As of September 30, 2012 and 2011, respectively, all interest derivatives are immediately and directly allocated to particular financings as cash flow hedges. Consequently, as of the balance sheet dates all interest derivatives qualify for hedge accounting.

Cross currency swaps have been contracted in connection with the US dollar financing activities.

Interest rate instruments can result in cash flow risks, opportunity effects, as well as interest rate risks affecting the balance sheet and earnings. Refinancing and variable-rate financial instruments are subject to cash flow risk which expresses the uncertainty of future interest payments. Cash flow risk is measured by means of cash flow sensitivity. Opportunity effects arise from non-derivatives, as these are measured at amortized cost rather than fair value, in contrast to interest derivatives. This difference, the so-called opportunity effect, affects neither the balance sheet nor the statement of income. On-balance sheet interest rate risks affecting equity result from the measurement of interest derivatives qualifying as cash flow hedges. Interest rate risks affecting earnings arise from the remaining interest rate derivatives not qualifying for hedge accounting. Opportunity effects and interest rate risks affecting the balance sheet and earnings are determined by calculating fair value sensitivity analyses and changes.

As of September 30, 2012, a +100/(20) basis point parallel shift in yield curves is assumed for all currencies in interest analyses. In fiscal year 2008/2009 the parallel downward shift was reduced to (20) basis points to consider the reduced interest level as a result of the financial crisis and to avoid negative interest rates. Due to the still relatively low interest level this approach is also maintained for the current analysis. The analysis results in the opportunities (positive values) and risks (negative values) shown in the following table:

MILLION €

	Changes in all yield curves as of Sept. 30, 2012 by	
	+ 100 basis points	(20) basis points
Cash flow risk	7	(1)
Opportunity effects	179	(37)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	1	0
Interest rate risks resulting from interest rate derivatives affecting earnings	0	0

In the previous year the analysis resulted in the opportunities (positive values) and risks (negative values) shown in the following table:

MILLION €

	Changes in all yield curves as of Sept. 30, 2011 by	
	+ 100 basis points	(20) basis points
Cash flow risk	26	(5)
Opportunity effects	164	(34)
Interest rate risks resulting from interest rate derivatives affecting balance sheet	(1)	0
Interest rate risks resulting from interest rate derivatives affecting earnings	0	0

If, as of September 30, 2012, all yield curves combined had been 100 basis points higher, the hedge reserve in equity and fair value of the relevant interest derivatives would have been €1 million higher (2011: €1 million lower) and earnings resulting from the measurement as of the balance sheet date €7 million (2010/2011: €26 million) higher. If, as of September 30, 2012, all yield curves combined had been 20 basis points lower, the hedge reserve in equity and fair value of the relevant interest derivatives would have been unchanged as in the previous year and earnings resulting from the measurement as of the balance sheet date €1 million (2010/2011: €5 million) lower.

Commodity price risks

The Group uses various nonferrous metals, especially nickel, as well as commodities such as ore, coal, coke and energy, for different production processes. Purchase prices for commodities and energy can vary significantly depending on market conditions.

This causes commodity price risks which can affect income, equity and cash flow. We react with adjusted selling prices and alternative purchasing resources to ensure our competitiveness. To minimize risks arising from commodity price volatilities, the Group also uses derivatives, especially for nickel and copper. The contracting of such financial derivatives is subject to strict guidelines which are checked for compliance by internal auditing. The nonferrous metals are generally hedged by a central system. Only marketable instruments are used, as there are mainly commodity forward contracts. Commodity forward contracts are measured at fair value. Fluctuations in fair value are recognized predominately in profit or loss under sales revenue or cost of sales. Sometimes cash flow hedge accounting is used when commodity derivatives are immediately and directly allocated to a particular firm commitment. In some cases, fair value hedges are used to hedge the exposure to changes in fair value of a firm commitment and exposure to inventory price risks.

Risks resulting from rising energy prices are limited by structuring procurement on the electricity market and concluding or extending long-term natural gas contracts. These contracts are subject to the so-called “own use exemption” and therefore not carried as derivatives.

Only hypothetical changes in market prices for derivatives are included in scenario analysis, required for financial instruments under IFRS 7. Offsetting effects from underlying transactions are not taken into account and would reduce their effect significantly.

As of September 30, 2012 a +20/(20)% shift in market prices for non-ferrous metals is assumed. If an increase of 20% in market prices for said non-ferrous metals is assumed, the estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €(2) million (2010/2011: 0), and on equity €12 million (2011: €(9) million). If a decrease of 20% in market prices for said non-ferrous metals is assumed, the estimated hypothetical impact on profit or loss resulting from the measurement as of the balance sheet date is €31 million (2010/2011: €65 million), and on equity €(7) million (2011: €(46) million).

23 Related parties

Based on the notification received in accordance with German Securities Trade Act (WpHG) Art. 21 as of December 21, 2006, the Alfried Krupp von Bohlen und Halbach Foundation holds an interest of 25.10% in ThyssenKrupp AG; based on a voluntary notification of the Foundation as of October 02, 2012, the interest in ThyssenKrupp AG amounts to 25.33% as of September 30, 2012. Outside the services and considerations provided for in the by-laws (Article 21 of the Articles of Association of ThyssenKrupp AG), there are no other significant delivery and service relations.

In 2010/2011 and 2011/2012, the Group has business relations with non-consolidated subsidiaries, associates and joint ventures. Transactions with these related parties result from the delivery and service relations in the ordinary course of business; the extent of the business relations is presented in the following table:

MILLION €

	Sales		Supplies and services		Receivables		Payables	
	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012
Non-consolidated subsidiaries	1	0	1	0	1	1	2	1
Associates	56	53	36	41	29	0	27	2
Joint ventures	296	375	2,222	1,786	71	3	248	1

In 2010/2011, ESG Legierungen GmbH was classified as a related party due to the fact that a close member of the family of a former Executive Board member and a former Supervisory Board member of ThyssenKrupp AG was a managing director. In 2010/2011 the Group realized sales of €0.5 million with ESG Legierungen GmbH from the sale of zinc. In the same period the Group did not purchase any goods from ESG. The transactions were carried out at market conditions and resulted in trade accounts receivable of €45 thousand as of September 30, 2011.

Compensation of current Executive and Supervisory Board members

The Group's key management personnel compensation which has to be disclosed in accordance with IAS 24 comprises of the compensation of the current Executive and Supervisory Board members.

Compensation of the current Executive Board members is as follows:

THOUSAND €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Short-term benefits (without share-based compensation)	8,833	8,434
Post-employment benefits	3,149	3,271
Share-based compensation	5,015	5,528

Service cost and past service cost resulting from the pension obligations of the current members of the Executive Board are disclosed as post-employment benefits. The disclosure of share-based compensation refers to the fair value at grant date.

In addition, in fiscal year 2011/2012, the Executive Board members did not receive any payments from share-based compensation (2010/2011: 0).

As of September 30, 2011 and 2012, respectively, no loans or advance payments were granted to members of the Executive Board; also as in the previous year no contingencies were assumed for the benefit of Executive Board members.

Compensation of the current Supervisory Board members is as follows:

THOUSAND €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Short-term benefits	1,788	1,495
Long-term benefits	0	0

In addition, members of the Supervisory Board of ThyssenKrupp AG received compensation of €82 thousand in fiscal 2011/2012 (2010/2011: €90 thousand) for supervisory board mandates at Group subsidiaries.

As of September 30, 2011 and 2012, respectively, no loans or advance payments were granted to members of the Supervisory Board; also as in the previous year no contingencies were assumed for the benefit of Supervisory Board members.

For individualized presentation and further details of Executive and Supervisory Board compensation refer to the presentation of the audited compensation report which is part of the “Corporate Governance” chapter of the annual report.

Compensation of former Executive and Supervisory Board members

Total compensation paid to former members of the Executive Board and their surviving dependants amounted to €15.0 million (2010/2011: €14.6 million). Under IFRS an amount of €214.4 million (2011: €192.7 million) is accrued for pension obligations benefiting former Executive Board members and their surviving dependants.

Former Supervisory Board members who left the Supervisory Board prior to October 01, 2011 did not receive any payment from the long-term compensation component in 2011/2012 (2010/2011: 0).

24 Segment reporting

Since the implementation of the new organizational structure as of October 01, 2009, the Group is organized in the following eight business areas that represent the Group's activities within materials and technologies. The business areas are in line with the internal organizational and reporting structure and represent the segments in accordance with IFRS 8. The Steel Americas and the Stainless Global business areas are classified as discontinued operations.

Steel Europe

This business area brings together the premium flat carbon steel activities, from intelligent material solutions to finished parts.

Materials Services

The business area is focused on the global distribution of materials and the provision of complex technical services for the production and manufacturing sectors.

Elevator Technology

This business area is active in the construction, modernization and servicing of elevators, escalators, moving walks, stair and platform lifts as well as passenger boarding bridges. Alongside a full range of installations for the volume market, the business area also delivers customized solutions.

Plant Technology

This business area is a supplier of chemical plants, refineries, cement plants, innovative solutions for the mining and handling of raw materials and minerals, production systems and assembly lines for the automotive industry.

Components Technology

This business area offers efficient and innovative components for the automotive, construction and engineering sectors as well as for wind turbines.

Marine Systems

After the strategic reorganization, in 2011/2012 the business area is focused on naval shipbuilding. The business area's core activities include the development, construction and refit of submarines and naval surface vessels as well as associated services. Before the business area was also supplier for premium-segment yachts.

Corporate

Corporate comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources. In addition, part of Corporate is real estate not used in operating that is managed and utilized centrally as well as inactive companies that could not be assigned to an individual business area.

Corporate EBIT consists of:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Corporate administration	(302)	(370)
Pension expenses	19	(23)
R&D promotion	(7)	(7)
Risk and insurance services	9	6
Other items	(28)	(9)
Other Corporate companies	(8)	(2)
EBIT Corporate Headquarter	(317)	(405)
EBIT Business Services	(12)	(15)
EBIT IT-Services	(17)	(20)
EBIT Real Estate	(31)	(55)
EBIT Corporate	(377)	(495)

Steel Americas

This business area includes the production, processing and marketing of high-quality steel products in North and South America. It contains mainly the steelmaking and processing plants in Brazil and USA. This segment is classified as a discontinued operation.

Stainless Global

This business area is a supplier of flat stainless steel products and high performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in the USA. This segment is classified as a discontinued operation.

Consolidation

Consolidation essentially contains the elimination of intercompany profits in inventories and the reversal of intercompany interest income.

The accounting principles for the segments are the same as those described for the Group in the summary of significant accounting principles. In accordance with the management approach which is applicable to segment reporting all figures presented are inclusive of disposal groups and discontinued operations.

ThyssenKrupp's key earnings performance indicator is EBIT. EBIT can not be taken directly from the consolidated statement of income prepared in accordance with the IFRS rules. Factors that can only be optimized and assesses at Group level – in particular non-operating financial income/expense and income taxes – are disregarded in assessing operating units. EBIT contains only components of financial income/expense that are operational in nature. Finance income and finance expenses are in general non-operational in character; an exemption are income and expenses from investments. Furthermore it's taken into account the fact that the receipt of advance payments, particulary in the segments with long-term construction contracts, is an integral part of risk management and of operation business. To recognize these advance payments, and the interest and financing effects attainable with them, in our value management, the EBIT of the relevant segment is increased by an inputed earnings contribution.

Inter-segment pricing is determined on an arm's length basis.

MILLION €

	Steel Europe	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Steel Americas*	Stainless Global*	Consoli-dation	Group
For the fiscal year ended Sept. 30, 2011											
External sales	10,663	14,005	5,249	3,968	6,895	1,491	71	734	6,016	0	49,092
Internal sales within the Group	2,151	771	4	36	13	2	72	405	723	(4,177)	0
Total sales	12,814	14,776	5,253	4,004	6,908	1,493	143	1,139	6,739	(4,177)	49,092
Income from companies accounted for using the equity method	42	4	1	2	0	22	0	0	3	0	74
Aggregate investment in investees accounted for using the equity method	332	66	1	9	14	162	9	0	15	0	608
Interest income	30	122	64	99	80	39	415	29	27	(599)	306
Interest expense	(92)	(128)	(25)	(32)	(77)	(19)	(947)	(106)	(59)	599	(886)
EBIT	1,133	478	801	506	543	213	(377)	(3,145)	(785)	(355)	(988)
Segment assets	9,564	9,616	5,981	5,889	6,113	4,205	17,092	8,455	6,212	(29,524)	43,603
Depreciation and amortization expense	530	134	74	36	285	19	41	391	175	(10)	1,675
Impairment losses of intangible assets, property, plant and equipment and investment property	14	48	0	0	10	0	11	1,685	800	0	2,568
Impairment losses of investments accounted for using the equity method and of financial assets	0	3	0	8	0	4	0	0	0	0	15
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	2	0	0	58	0	0	0	0	0	60
Segment liabilities	5,635	5,610	3,373	4,708	3,736	3,117	25,389	4,993	6,133	(29,473)	33,221
Significant non-cash items	(150)	(6)	(87)	(66)	(84)	(47)	(46)	(6)	(11)	(10)	(513)
Capital expenditures (intangible assets, property, plant, equipment and investment property)	410	95	93	44	361	14	34	1,368	266	(24)	2,661

*Discontinued operation

MILLION €

For the fiscal year ended Sept. 30, 2012	Steel Europe	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Steel Americas*	Stainless Global*	Consoli-dation	Group
External sales	9,077	12,707	5,704	4,053	6,998	1,186	68	1,513	5,739	0	47,045
Internal sales within the Group	1,915	458	1	17	13	1	90	501	607	(3,603)	0
Total sales	10,992	13,165	5,705	4,070	7,011	1,187	158	2,014	6,346	(3,603)	47,045
Income from companies accounted for using the equity method	49	(17)	1	2	(1)	8	0	0	4	0	46
Aggregate investment in investees accounted for using the equity method	392	48	3	8	14	170	12	0	19	0	666
Interest income	13	123	64	94	71	37	536	4	26	(714)	254
Interest expense	(84)	(120)	(29)	(35)	(81)	(19)	(968)	(187)	(113)	714	(922)
EBIT	188	127	387	520	681	(14)	(495)	(4,747)	(626)	(391)	(4,370)
Segment assets	8,014	9,052	6,318	6,336	5,659	4,400	16,550	5,443	4,552	(28,040)	38,284
Depreciation and amortization expense	478	95	81	38	297	22	41	404	0	(8)	1,448
Impairment losses of intangible assets, property, plant and equipment and investment property	0	12	72	2	152	155	5	3,645	450	0	4,493
Impairment losses of investments accounted for using the equity method and of financial assets	0	5	0	0	0	7	0	0	0	0	12
Reversals of impairment losses of intangible assets, property, plant and equipment and investment property	0	0	1	0	1	0	1	0	0	0	3
Segment liabilities	4,570	5,266	3,580	5,131	3,606	3,485	24,809	6,038	5,248	(27,975)	33,758
Significant non-cash items	(52)	(67)	(215)	(104)	(86)	44	(67)	1	(93)	(13)	(652)
Capital expenditures (intangible assets, property, plant, equipment and investment property)	465	91	136	50	420	19	5	515	411	(5)	2,107

*Discontinued operation

The reconciliations of sales, income from companies accounted for using the equity method and of EBIT to EBT according to the statement of income as well as of interest income and interest expense to the corresponding amounts of continuing operations are presented below:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Sales as presented in segment reporting	49,092	47,045
- Sales of Steel Americas	(1,139)	(2,014)
- Sales of Stainless Global	(6,739)	(6,346)
+ Sales of discontinued operations to Group companies	1,128	1,108
+ Sales of Group companies to discontinued operations	383	331
Sales as presented in the statement of income	42,725	40,124

Sales in the amount of €331 million (2010/2011: €383 million) result from sales of Group companies to Steel Americas and Stainless Global. These business relationships shall also be continued after the disposal. They mainly relate to services provided by the Materials Services business area to Steel Americas and the Steel Europe business area to Stainless Global.

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Income from companies accounted for using the equity method as presented in segment reporting	74	46
- Income form companies accounted for using the equity method of Steel Americas	0	0
- Income form companies accounted for using the equity method of Stainless Global	(3)	(4)
Income from companies accounted for using the equity method as presented in the statement of income	71	42

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Interest income as presented in segment reporting	306	254
- Interest income of Steel Americas	(29)	(4)
- Interest income of Stainless Global	(27)	(26)
Consolidation	27	26
Interest income of continuing operations	277	250

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Interest expense as presented in segment reporting	(886)	(922)
- Interest expense of Steel Americas	106	187
- Interest expense of Stainless Global	59	113
Consolidation	(134)	(250)
Interest expense of continuing operations	(855)	(872)

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
EBIT as presented in segment reporting	(988)	(4,370)
- Depreciation of capitalized borrowing costs eliminated in EBIT	(42)	(42)
+ Finance income	595	793
- Finance expense	(1,165)	(1,429)
- Items of finance income assigned to EBIT based on economic classification	(16)	(46)
+ Items of finance expense assigned to EBIT based on economic classification	38	27
EBT - Group	(1,578)	(5,067)
- EBT Steel Americas	3,045	4,729
- EBT Stainless Global*	827	653
EBT as presented in the statement of income	2,294	315

*inclusive of measurement adjustments in accordance with IFRS 5

The aggregate investment in investees accounted for using the equity method reconciles to the aggregate amount according to the statement of financial postion as presented below:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Aggregate investment in investees accounted for using the equity method as presented in segment reporting	608	666
- aggregate investment in investees accounted for using the equity method that are held for sale	(15)	(19)
Aggregate investment in investees accounted for using the equity method as presented in the statement of financial position	593	647

In presenting information for geographical areas, allocation of sales is based on the location of the customer. Allocation of segment assets and capital expenditures is based on the location of the assets. Capital expenditures are presented in line with the definition of the cash flow statement.

Due to the high volume of customers and the variety of business activities, there are no individual customers that generate sales values that are material to the Group's consolidated net sales.

MILLION €

	Germany	USA	Other countries	Group
External sales (location of the customer)				
Year ended Sept. 30, 2011	16,153	6,294	26,645	49,092
Year ended Sept. 30, 2012	14,413	7,861	24,771	47,045

MILLION €

	Germany	USA	Brazil	Other countries	Group
Non-current assets (intangible assets, property, plant and equipment, investment property and other non-financial assets) (location of the assets)					
Sept. 30, 2011	6,621	4,368	5,029	3,793	19,811
Sept. 30, 2012	6,468	3,355	2,460	3,677	15,960

25 Accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management estimates and assumptions that affect reported amounts and related disclosures. All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the Groups financial position and results of operations. The following accounting policies are significantly impacted by management's estimates and judgements.

Business combinations

As a result of acquisitions the Group recognized goodwill in its balance sheet. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair value. One of the most significant estimates relates to the determination of the fair value of these asset and liabilities. Land, buildings and equipment are usually independently appraised while marketable securities are valued at market price. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Group either consults with an independent external valuation expert or develops the fair value internally, using an appropriate valuation technique which is generally based on a forecast of the total expected future net cash flows. These evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Goodwill

As stated in the accounting policy in Note 01, the Group tests annually and in addition if any indicators exist, whether goodwill has suffered an impairment. If there is an indication, the recoverable amount of the cash-generating unit has to be estimated which is the greater of the fair value less costs to sell and the value in use. The determination of the value in use involves making adjustments and estimates related to the projection and discounting of future cash flows (see Note 04). Although management believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill which could adversely affect the future financial position and operating results.

Recoverability of assets

At each balance sheet date, the Group assesses whether there is any indication that the carrying amounts of its property, plant and equipment, investment property or intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In assessing the value in use, discounted future cash flows from the related assets have to be determined. Estimating the discounted future cash flows involves significant assumptions, including particularly those regarding future sale prices and sale volumes, costs and discount rates. Although management believes that its estimates of the relevant expected useful lives, its assumptions concerning the economic environment and developments in the industries in which the Group operates and its estimations of the discounted future cash flows are appropriate, changes in the assumptions or circumstances could require changes in the analysis. This could lead to additional impairment charges in the future or to reversal of impairments if the trends identified by management reverse or the assumptions or estimates prove incorrect.

Other provisions

The recognition and measurement of other provisions are based on the estimation of the probability of a future outflow of resources as well as empirical values and the circumstances known at the reporting date. This means that the actual later outflow of resources may differ from the other provisions, see also the remarks under Note 16.

Measurement of single assets held for sale, disposal groups and discontinued operations

Single assets held for sale as well as disposal groups and discontinued operations are measured at fair value less costs to sell. The determination of fair value less costs to sell can be based on estimations and assumptions of the management that carry a certain degree of uncertainty. The assumptions used are described in Note 03.

Revenue recognition on construction contracts

Certain Group entities, particularly in the Elevator Technology, Plant Technology and Marine Systems business areas, conduct a portion of their business under construction contracts which are accounted for using the percentage-of-completion method, recognizing revenue as performance on the contract progresses. This method requires accurate estimates of the extent of progress towards completion. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks and other judgements. The managements of the operating companies continually review all estimates involved in such construction contracts and adjust them as necessary.

Income taxes

The Group operates and earns income in numerous countries and is subject to changing tax laws in multiple jurisdictions within the countries. Significant judgements are necessary in determining the worldwide income tax liabilities. Although management believes they have made reasonable estimates about the ultimate resolution of tax uncertainties, no assurance can be given that the final tax outcome of these matters will be consistent with what is reflected in the historical income tax provisions. Such differences could have an effect on the income tax liabilities and deferred tax liabilities in the period in which such determinations are made.

At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Group’s ability to utilize future tax benefits. See Note 32 for further information on potential tax benefits for which no deferred tax asset is recognized.

Employee benefits

The Group accounts for pension and other postretirement benefits in accordance with actuarial valuations. These valuations rely on statistical and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected return on plan assets, expected salary increases, mortality rates and health care cost trend rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in postretirement employee benefit obligations, of equity and the related future expense. (See Note 15 for further information regarding employee benefits).

Legal contingencies

ThyssenKrupp companies are parties to litigations related to a number of matters as described in Note 21. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. For the assessments internal and external lawyers are used. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against ThyssenKrupp companies or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Notes to the consolidated statement of income

26 Net sales

Net sales include revenues resulting from the rendering of services of €7,570 million (2010/2011: €9,308 million) as well as sales from construction contracts of €7,337 million (2010/2011: €6,682 million).

27 Other income

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Gains from premiums and from grants	7	14
Insurance compensation	10	20
Miscellaneous	364	166
Total	381	200

In fiscal year 2010/2011 miscellaneous other income includes €160 million resulting from a partial payback of a fine imposed by the EU Commission in 2007 for anticompetitive practices in the Elevator Technology business area. Furthermore miscellaneous other income includes a multitude of minor single items resulting from the 566 (2010/2011: 614) consolidated entities.

28 Other expenses

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Additions to /reversals of provisions	(45)	52
Goodwill impairment	48	170
Other taxes	21	21
Miscellaneous	72	224
Total	96	467

In fiscal year 2011/2012 miscellaneous other expenses contain expenses of €103 in connection with the rail cartel. In addition miscellaneous other expenses include a multitude of minor single items resulting from the 566 (2010/2011: 614) consolidated entities.

29 Other gains/(losses), net

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Gains/(losses) on the disposal of intangible assets, net	2	1
Gains/(losses) on the disposal of property, plant and equipment, net	(11)	(9)
Gains/(losses) on the disposal of investment property, net	12	13
Gains/(losses) on the disposal of subsidiaries, net	(27)	375
Miscellaneous	(3)	(4)
Total	(27)	376

In 2011/2012 the line item “gains/(losses) on the disposal of subsidiaries, net” includes €356 million resulting from the sale of the US foundry Waupaca and €40 million resulting from the sale of the Brazilian chassis components producer ThyssenKrupp Automotive Systems Industrial do Brasil, both attributable to the Components Technology business area.

30 Government grants

In the preceding fiscal year, government grants to compensate expenses of the Group were recognized in the amount of €23 million (2010/2011: €16 million); thereof €8 million (2010/2011: €5 million) apply to discontinued operations.

Payment of the above-mentioned government grants is subject to certain conditions which are currently assumed to be met.

31 Financial income/(expense), net

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Income from companies accounted for using the equity method	71	42
Interest income from financial receivables	153	137
Expected return on accrued pension and similar obligations	124	113
Income from investments	16	10
Other finance income	261	419
Finance income	554	679
Interest expense from financial debt	(455)	(476)
Interest cost of accretion of pensions and similar obligations	(400)	(396)
Expenses from investments	(15)	(7)
Other finance expenses	(287)	(464)
Finance expenses	(1,157)	(1,343)
Financial income/(expense), net	(532)	(622)

The line item “other finance income” includes interest income from financial assets that are not measured at fair value through profit or loss of €31 million (2010/2011: €39 million) and the line item “other finance expenses” includes interest expense from financial liabilities that are not measured at fair value through profit or loss of €11 million (2010/2011: €12 million).

Borrowing costs in the amount of €19 million (2010/2011: €10 million) were capitalized during the period which reduced interest expense from financial debt. If financing is directly allocable to a certain investment, the actual borrowing costs are capitalized. If no direct allocation is possible, the Group’s average borrowing interest rate of the current period is taken into account to calculate the borrowing costs; it amounts to 6.2% for fiscal year 2011/2012 (2010/2011: 6.1%).

32 Income taxes

Income tax expense/(benefit) for the year ended September 30, 2012 and the previous year consists of the following:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Current income tax expense for the reporting period	503	677
Deferred income tax expense/(benefit) for the reporting period	33	(233)
Current income tax expense for prior periods	94	13
Deferred income tax benefit for prior periods	(128)	(30)
Total	502	427
This total breaks down to:		
Current income tax expense Germany	96	89
Current income tax expense foreign	501	601
Deferred income tax expense/(benefit) Germany	140	(74)
Deferred income tax benefit foreign	(235)	(189)

The German corporate income tax law applicable for 2010/2011 sets a statutory income tax rate of 15% (2010/2011: 15%) plus a solidarity surcharge of 5.5%. On average, the Group’s German companies are subject to a trade tax rate of 15.7% (2010/2011: 15.5%). Therefore, at year-end September 30, 2012, deferred taxes of German companies are calculated with a combined income tax rate (including solidarity surcharge) of 31.5% (2010/2011: 31.3%). The applicable tax rates for companies outside Germany range from 5.7% to 42.3% (2010/2011: 5.7% to 40.4%). In fiscal year 2011/2012, changes in the domestic trade tax rate resulted in deferred tax benefit in the amount of €1 million (2010/2011: €4 million deferred tax expense) and changes in foreign tax rates resulted in deferred tax expense in the amount of €8 million (2010/2011: €1 million deferred tax benefit).

The components of income taxes recognized in total equity are as follows:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Income tax expense as presented on the statement of income	502	427
Income tax benefit on discontinued operations	(297)	(452)
Income non-effective tax effect on other comprehensive income		
Continuing operations	136	(372)
Discontinued operations	1	(12)
Other income non-effective changes	10	0
Total	352	(409)

As of September 30, 2012, domestic corporate tax losses carried forward amount to €702 million (2011: €387 million), domestic trade tax loss carried forward amount to €64 million (2011: €46 million), and interest carried forward amount to €370 million (2011: €257 million). In addition, foreign tax losses carried forward amount to €2,956 million (2011: €2,922 million), in particular €1,699 million (2011: €994 million) in the USA, €435 million (2011: €452 million) in Canada, and €162 million (2011: €85 million) in Liechtenstein, and foreign tax credits amount to €51 million (2011: €44 million). In fiscal year 2011/2012, deferred tax benefit in the amount of €192 million (2010/2011: €145 million deferred tax expense) is attributable to tax losses carried forward and foreign tax credits.

Deferred tax assets are recognized only to the extent that the realization of such tax benefits is probable. In determining the related valuation allowance, all positive and negative factors, including prospective results, are taken into consideration in estimating whether sufficient taxable income will be generated to realize deferred tax assets. These estimates can change depending on the future course of events. As of September 30, 2012, tax losses carried forward for which no deferred tax asset is recognized amount to €760 million (2011: €1,334 million) and interest carried forward for which no deferred tax asset is recognized amounts to €370 million (2011: 0). According to tax legislation as of September 30, 2012, an amount of €644 million (2011: €1,134 million) of these tax losses may be carried forward indefinitely and in unlimited amounts whereas an amount of €116 million (2011: €200 million) of these tax losses carried forward will expire over the next 20 years if not utilized. Deferred tax assets for tax losses carried forward are not recognized in the amount of €160 million (2011: €398 million) and for interest carried forward in the amount of €102 million (2011: 0). In addition, as of September 30, 2012, no deferred tax asset is recognized for foreign tax credits in the amount of €5 million (2011: 0), and for deductible temporary differences in the amount of €302 million (2011: €1,660 million). In fiscal year 2011/2012, the benefit arising from previously unrecognized tax losses, foreign tax credits and temporary differences that are used to reduce the Group's tax expense amounts to €24 million (2010/2011: €13 million).

Significant components of the deferred tax assets and liabilities are as follows:

MILLION €

	Deferred tax assets		Deferred tax liabilities	
	Sept. 30, 2011	Sept. 30, 2012	Sept. 30, 2011	Sept. 30, 2012
Intangible assets	360	145	397	411
Property, plant and equipment	265	505	739	912
Financial assets	131	68	7	28
Inventories	2,376	1,199	295	286
Other assets	315	577	496	578
Accrued pension and similar obligations	805	608	3	1
Other provisions	307	231	66	285
Other liabilities	432	770	2,489	968
Tax loss carryforwards	955	999	—	—
Interest carryforwards	70	102	—	—
Foreign tax credits	44	51	—	—
Gross value	6,060	5,255	4,492	3,469
Valuation allowance	(952)	(339)	—	—
Offset	(4,168)	(3,437)	(4,168)	(3,437)
Balance sheet amount	940	1,479	324	32

Deferred tax assets and liabilities are offset if they pertain to future tax effects for the same taxable entity towards the same taxation authority. Deferred tax assets of €58 million relate to consolidation items as of September 30, 2012 (2011: €45 million).

For fiscal year 2011/2012, the income tax expense of €427 million presented in the financial statements is €328 million higher than the expected income tax expense of €99 million which would result if the German combined income tax rate of 31.5% were applied to the Group's income before income taxes. For fiscal year 2010/2011, the reported income tax expense of €502 million was €217 million lower than the expected income tax expense of €719 million with a German combined income tax rate of 31.3%. The following table reconciles the expected income tax expense to the income tax expense presented in the statement of income.

MILLION €

	Year ended Sept. 30, 2011	in %	Year ended Sept. 30, 2012	in %
Expected income tax expense	719	31.3	99	31.5
Tax rate differentials to the German combined income tax rate	(27)	(1.2)	40	12.7
Changes in tax rates or laws	3	0.1	7	2.2
Tax consequences of disposal of businesses	34	1.5	38	12.1
Permanent items	(26)	(1.1)	80	25.4
Change in valuation allowance	(116)	(5.0)	213	67.6
Tax benefit not related to the reporting period	(34)	(1.5)	(17)	(5.4)
Income/(loss) from companies accounted for under the equity method	(23)	(1.0)	(12)	(3.8)
Other, net	(28)	(1.2)	(21)	(6.7)
Income tax expense as presented on the statement of income	502	21.9	427	135.6

33 Earnings per share

Basic earnings per share is calculated as follows:

	Year ended Sept. 30, 2011		Year ended Sept. 30, 2012	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	1,702	3.57	(194)	(0.38)
Income/(loss) from discontinued operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	(2,993)	(6.28)	(4,474)	(8.69)
Net loss (attributable to ThyssenKrupp AG's stockholders)	(1,291)	(2.71)	(4,668)	(9.07)
Weighted average shares	476,241,215		514,489,044	

Relevant number of common shares for the determination of earnings per share

Earnings per share have been calculated by dividing net loss attributable to common stockholders of ThyssenKrupp AG (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Shares sold during the period and shares reacquired during the period have been weighted for the portion of the period that they were outstanding.

In fiscal year 2010/2011 the weighted average number of outstanding shares was increased by the sale of treasury shares in February 2011 in the context of the Group's share purchase program, by the sale of treasury shares in May 2011 in the context of the employee share purchase and by the sale of treasury shares in the accelerated bookbuilding process to mainly institutional investors in July 2011.

There were no dilutive securities in the periods presented.

34 Additional disclosures on the consolidated statement of income

Personnel expenses included in the consolidated statement of income are comprised of:

MILLION €

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Wages and salaries	7,045	6,974
Social security taxes	1,352	1,277
Net periodic pension costs - defined benefit*	171	108
Net periodic pension costs - defined contribution	111	128
Net periodic postretirement benefit cost other than pensions*	(93)	(36)
Other expenses for pensions and retirements	(19)	198
Related fringe benefits	447	434
Total	9,014	9,083

* Excluding expected return on plan assets and interest cost which are recognzied as part of interest income/expense

The annual average number of employees is as follows:

	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012
Steel Europe	32,635	28,274
Materials Services	35,059	28,704
Elevator Technology	45,180	46,671
Plant Technology	13,135	14,002
Components Technology	30,380	30,199
Marine Systems	5,387	4,271
Corporate	2,665	2,927
Steel Americas	3,787	4,172
Stainless Global	11,306	11,733
Total	179,534	170,953
This total breaks down to:		
Wage earners	103,850	97,445
Salaried employees	71,167	69,454
Trainees	4,517	4,054

Auditors’ fees and services

For the services performed by the Group auditors KPMG AG Wirtschaftsprüfungsgesellschaft and the companies of the worldwide KPMG association in fiscal years 2010/2011 and 2011/2012 the following fees (including expenses) were recognized as expenses:

MILLION €

	Year ended Sept. 30, 2011		Year ended Sept. 30, 2012	
	Total	thereof Germany	Total	thereof Germany
Audit fees	14	7	11	5
Audit-related fees	4	2	3	2
Tax fees	3	1	3	1
Fees for other services	1	1	1	1
Total	22	11	18	9

For the services performed by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft and the companies of the worldwide PricewaterhouseCoopers association in fiscal years 2010/2011 and 2011/2012 the following fees (including expenses) were recognized as expenses:

MILLION €

	Year ended Sept. 30, 2011		Year ended Sept. 30, 2012	
	Total	thereof Germany	Total	thereof Germany
Audit fees	8	3	8	3
Audit-related fees	3	2	3	1
Tax fees	1	0	2	1
Fees for other services	1	0	3	3
Total	13	5	16	8

The audit fees include mainly fees for the year-end audit of the consolidated financial statements, and the statutory auditing of ThyssenKrupp AG and the subsidiaries included in the consolidated financial statements. The audit-related fees essentially comprise the auditors’ review of the interim consolidated financial statements and the fees for due diligence services in connection with acquisitions and disposals. The tax fees include in particular fees for tax consulting services for current and planned transactions, for the preparation of tax returns, for tax due diligence services, for tax advice in connection with projects and Group-internal reorganizations as well as tax advice for employees sent to work abroad. The fees for other services are mainly fees for project-related consulting services.

Notes to the consolidated statement of cash flows

35 Additional information on the consolidated statement of cash flows

The liquid funds considered in the consolidated statement of cash flows correspond to the “Cash and cash equivalents” line item in the consolidated statement of financial position taking into account the cash and cash equivalents attributable to the disposal groups inclusive of discontinued operations.

Non-cash investing activities

In fiscal 2011/2012, the acquisition and first-time consolidation of companies created an increase in non-current assets of €102 million (2010/2011: €38 million).

The non-cash addition of assets under capital leases in fiscal 2011/2012 amounted to €18 million (2010/2011: €24 million).

Non-cash financing activities

In fiscal 2011/2012, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt of €3 million (2010/2011: €0 million).

Subsequent events

36 Subsequent events

On the recommendation of the Personnel Committee, on December 10, 2012 the Supervisory Board terminated the appointments of Executive Board members Dr. Olaf Berlien, Edwin Eichler and Dr. Jürgen Claassen effective December 31, 2012. All three gentlemen are in agreement with the termination of their appointments.

Other information

37 Declarations of conformity with the German Corporate Governance Code in accordance with Art. 161 of the German Stock Corporation Act (AktG)

On October 01, 2012, the Executive Board and the Supervisory Board of ThyssenKrupp AG issued the declaration of conformity in accordance with Art. 161 of the Stock Corporation Act (AktG) and is now publicly available to the shareholders on the company’s website.

The declaration of conformity of our exchange-listed subsidiary Eisen- und Hüttenwerke AG was issued on October 01, 2012 and is now publicly available to the shareholders on the company’s website.

38 Application of Art. 24 Par. 3 and Art. 264b of German Commericial Code (HGB)

The following domestic subsidiaries in the legal form of a capital corporation or a commercial partnership as defined in Art. 264a partly made use of the exemption clause included in Art. 264 Par. 3 and Art. 264b of German Commercial Code.

A

AGOZAL Oberflächenveredelung GmbH	Neuwied
AWG Industrieanlagen und Wassertechnik GmbH Berlin	Berlin

B

Becker & Co. GmbH	Neuwied
Blohm + Voss Marine Systems GmbH	Hamburg
Blohm + Voss Naval GmbH	Hamburg
Blohm + Voss Shipyards & Services GmbH	Hamburg
Buckau-Walther GmbH	Grünwald

C

Christian Hein GmbH	Langenhagen

D

DWR - Deutsche Gesellschaft für Weißblechrecycling mbH	Andernach

E

EH Güterverkehr GmbH	Duisburg
Eisenmetall Handelsgesellschaft mbH	Gelsenkirchen
ELEG Europäische Lift + Escalator GmbH	Düsseldorf
Emder Werft und Dockbetriebe GmbH	Emden
Erich Weit GmbH	Munich

F

Freiburger Stahlhandel GmbH	Freiburg i.Br.

G

GMT Aufzug-Service GmbH	Forst
GWH Aufzüge GmbH	Himmelstadt

H

Haisch Aufzüge GmbH	Gingen/Fils
Hanseatische Aufzugsbau GmbH	Rostock
Herzog Coilex GmbH	Stuttgart
Hoesch Hohenlimburg GmbH	Hagen
Hövelmann & Co. Eisengroßhandlung GmbH	Gelsenkirchen
Howaldtswerke-Deutsche Werft GmbH	Kiel

I

IKL Ingenieurkontor Lübeck GmbH	Kiel
Innovative Meerestechnik GmbH	Emden

J

Jacob Bek GmbH	Ulm

K

KBS Kokereibetriebsgesellschaft Schwelgern GmbH	Duisburg
Kraemer & Freund Handel GmbH	Hagen

L

LiftEquip GmbH Elevator Components	Neuhausen a.d.F.
Liftservice und Montage GmbH	Saarbrücken

M

Max Cochius GmbH	Berlin
MgF Magnesium Flachprodukte GmbH	Freiberg
MONTAN GmbH Assekuranz-Makler	Düsseldorf

O

Otto Wolff Handelsgesellschaft mbH	Essen
Otto Wolff U.S. Sales GmbH	Andernach

P

Peiniger International GmbH	Grünwald

R

Rasselstein Verwaltungs GmbH	Neuwied
Reisebüro Dr. Tigges GmbH	Essen
Rothe Erde GmbH	Dortmund

S

Springs and Stabilizers Holding GmbH	Essen
Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH	Essen
SVG Steinwerder Verwaltungsgesellschaft mbH	Hamburg

T

Tepper Aufzüge GmbH	Münster
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Industrie	Essen
Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Stahl	Essen
Thyssen Stahl GmbH	Düsseldorf
ThyssenKrupp Academy GmbH	Düsseldorf
ThyssenKrupp Access Holding GmbH	Essen
ThyssenKrupp AdMin GmbH	Düsseldorf
ThyssenKrupp Aerospace Germany GmbH	Rodgau
ThyssenKrupp Aufzüge GmbH	Stuttgart
ThyssenKrupp Aufzugswerke GmbH	Neuhausen a.d.F.
ThyssenKrupp Automotive Systems GmbH	Essen
ThyssenKrupp Bauservice GmbH	Hückelhoven
ThyssenKrupp Bautechnik GmbH	Essen
ThyssenKrupp Bilstein GmbH	Ennepetal
ThyssenKrupp Business Services GmbH	Essen
ThyssenKrupp DeliCate GmbH	Düsseldorf
ThyssenKrupp Dienstleistungen GmbH	Düsseldorf
ThyssenKrupp Electrical Steel GmbH	Gelsenkirchen
ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH	Gelsenkirchen
ThyssenKrupp Elevator (CENE) GmbH	Essen

ThyssenKrupp Elevator (CENE) Infrastruktur GmbH	Essen
ThyssenKrupp Elevator (EBC) GmbH	Berlin
ThyssenKrupp Elevator (ES/PBB) GmbH	Essen
ThyssenKrupp Elevator AG	Düsseldorf
ThyssenKrupp Elevator Research GmbH	Düsseldorf
ThyssenKrupp Encasa GmbH	Neuss
ThyssenKrupp Erste Beteiligungsgesellschaft mbH	Düsseldorf
ThyssenKrupp Facilities Services GmbH	Düsseldorf
ThyssenKrupp Fahrtreppen GmbH	Hamburg
ThyssenKrupp Federn GmbH	Hagen
ThyssenKrupp Federn und Stabilisatoren GmbH	Hagen
ThyssenKrupp Fördertechnik GmbH	Essen
ThyssenKrupp Gerlach GmbH	Homburg/Saar
ThyssenKrupp Grundbesitz Verwaltungs GmbH	Essen
ThyssenKrupp Grundbesitz-Vermietungs GmbH & Co. KG	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl	Essen
ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl	Essen
ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH	Oberhausen
ThyssenKrupp Immobilienentwicklungs Krefeld GmbH	Oberhausen
ThyssenKrupp Industrial Services Holding GmbH	Düsseldorf
ThyssenKrupp Information Services GmbH	Düsseldorf
ThyssenKrupp IT Services GmbH	Essen
ThyssenKrupp Lasertechnik GmbH	Ravensburg
ThyssenKrupp Management Consulting GmbH	Düsseldorf
ThyssenKrupp Mannex GmbH	Essen
ThyssenKrupp Marine Systems AG	Hamburg
ThyssenKrupp Materials International GmbH	Essen
ThyssenKrupp Metallurgical Products GmbH	Essen
ThyssenKrupp MetalServ GmbH	Essen
ThyssenKrupp Plastics GmbH	Essen
ThyssenKrupp Polysius AG	Beckum
ThyssenKrupp Presta Chemnitz GmbH	Chemnitz
ThyssenKrupp Presta Esslingen GmbH	Esslingen
ThyssenKrupp Presta Ilsenburg GmbH	Ilsenburg
ThyssenKrupp Presta SteerTec GmbH	Düsseldorf
ThyssenKrupp Presta SteerTec Mülheim GmbH	Mülheim
ThyssenKrupp Presta SteerTec Schönebeck GmbH	Schönebeck
ThyssenKrupp Printmedia GmbH	Duisburg
ThyssenKrupp Rasselstein GmbH	Andernach
ThyssenKrupp Real Estate GmbH	Essen
ThyssenKrupp Risk and Insurance Services GmbH	Essen
ThyssenKrupp Sägenstahlcenter GmbH	Duisburg
ThyssenKrupp Schulte GmbH	Essen
ThyssenKrupp Stahl Immobilien GmbH	Duisburg
ThyssenKrupp Stahlkontor GmbH	Düsseldorf
ThyssenKrupp Stahl-Service-Center GmbH	Krefeld
ThyssenKrupp Steel Europe AG	Duisburg
ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH	Duisburg
ThyssenKrupp System Engineering GmbH	Essen
ThyssenKrupp Technologies Beteiligungen GmbH	Essen
ThyssenKrupp Tiefbautechnik GmbH	Essen
ThyssenKrupp Transrapid GmbH	Kassel
ThyssenKrupp Uhde GmbH	Dortmund
ThyssenKrupp Valvetrain GmbH	Ilsenburg

U

Uhde High Pressure Technologies GmbH	Hagen
Uhde Inventa-Fischer GmbH	Berlin
Uhde Services and Consulting GmbH	Dortmund
Uhde Services GmbH	Haltern am See

V

Vermögensverwaltungsgesellschaft TAUS mbH	Grünwald

X

Xtend new media Holding GmbH	Grünwald

The following Dutch subsidiaries made use of the exemption clause included in Art. 2:403 of the Civil Code of the Netherlands.

I

Inoxum Nederland B.V.	Roermond

T

ThyssenKrupp Nederland Holding B.V.	Roermond
Thyssenkrupp Nederland Intermediate B.V.	Roermond
ThyssenKrupp Slab International B.V.	Brielle
ThyssenKrupp Veerhaven B.V.	Rotterdam

U

Uhde Fertilizer Technology B.V.	Amsterdam

39 List of the Group's subsidiaries and equity interests

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	Steel Europe					
	ThyssenKrupp Steel Europe					
1	ThyssenKrupp Steel Europe AG, Duisburg		438,771	99.53	509	
2	KBS Kokereibetriebsgesellschaft Schwelgern GmbH, Duisburg		25	100.00	1	
3	Pruna Betreiber GmbH, Grünwald		150	0.00[2]	1	
4	ThyssenKrupp Galmed, S.A., Sagunto, Spain		48,150	100.00	527	75.00%
					1	25.00%
5	ThyssenKrupp Steel North America, Inc., Dover/Delaware, USA	USD	10	100.00	550	
	Processing					
6	DWR - Deutsche Gesellschaft für Weißblechrecycling mbH, Andernach		25	100.00	13	
7	Hoesch Hohenlimburg GmbH, Hagen		15,340	99.50	1	
8	Otto Wolff U.S. Sales GmbH, Andernach		26	100.00	13	
9	Rasselstein Verwaltungs GmbH, Neuwied		93,500	100.00	1	59.23%
					34	40.77%
10	ThyssenKrupp Electrical Steel GmbH, Gelsenkirchen		15,163	99.58	11	87.62%
					1	7.67%
					509	4.29%
11	ThyssenKrupp Electrical Steel Verwaltungsgesellschaft mbH, Gelsenkirchen		30,000	100.00	1	62.46%
					34	37.54%
12	ThyssenKrupp Lasertechnik GmbH, Ravensburg		25	100.00	1	
13	ThyssenKrupp Rasselstein GmbH, Andernach		40,960	99.50	9	
14	ThyssenKrupp Sägenstahlcenter GmbH, Duisburg		1,023	100.00	1	
15	ThyssenKrupp Tailored Blanks GmbH, Duisburg		4,116	100.00	1	
16	ThyssenKrupp Aceros y Servicios S.A., Santiago, Chile	CLP	4,988,440[1]	100.00	1	
17	ThyssenKrupp Comercial Colombia S.A., Bogota, Columbia	COP	272,610[1]	100.00	16	
18	ThyssenKrupp Electrical Steel India Private Ltd., Mumbai/Nashik, India	INR	3,149,349	100.00	10	100.00%[3]
					11	0.00%[3]
19	ThyssenKrupp Electrical Steel Italia S.r.l., Milano, Italy		2,000	100.00	546	
20	ThyssenKrupp Electrical Steel UGO S.A.S, Isbergues, France		5,235	100.00	10	
21	ThyssenKrupp Tailored Blanks Celik Sanayi VE Ticaret Ltd., Nilüfer/ Bursa, Turkey	TRY	2,803[1]	100.00	15	96.47%
					23	3.53%
22	ThyssenKrupp Tailored Blanks S.A. de C.V., Puebla, Mexico	MXN	50[1]	100.00	27	100.00%[3]
					28	0.00%[3]
23	ThyssenKrupp Tailored Blanks S.r.l., Turin, Italy		3,810	52.50	15	
24	ThyssenKrupp Tailored Blanks Sverige AB, Olofström, Sweden		1,940	100.00	15	
25	ThyssenKrupp Tailored Blanks (Wuhan) Ltd., Wuhan, PR China	USD	21,000[1]	100.00	540	68.43%
					15	31.57%
26	TKAS (Changchun) Tailored Blanks Ltd., Changchun, PR China	USD	10,000	55.00	540	
27	TWB Company, LLC, Monroe, USA	USD	1,500	55.00	5	
28	TWB de Mexico, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50[1]	100.00	27	99.00%
					30	1.00%
29	TWB Industries, S.A. de C.V., Saltillo, Coahuila, Mexico	MXN	50[1]	100.00	27	99.00%
					30	1.00%
30	TWB of Ohio, Inc., Columbus/Ohio, USA	USD	0	100.00	27	
	Other Companies Steel Europe					
31	AGOZAL Oberflächenveredelung GmbH, Neuwied		1,540	100.00	1	
32	Becker & Co. GmbH, Neuwied		768	100.00	9	
33	EH Güterverkehr GmbH, Duisburg		1,534	100.00	1	
34	Eisen- und Hüttenwerke AG, Andernach		45,056	87.98	1	
35	MgF Magnesium Flachprodukte GmbH, Freiberg		500	100.00	1	
36	ThyssenKrupp Printmedia GmbH, Duisburg		26	100.00	1	
37	ThyssenKrupp Steel Zweite Beteiligungsgesellschaft mbH, Duisburg		25	100.00	1	

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
38	B.V. Stuwadoors-Maatschappij Kruwal, Rotterdam, Netherlands		45	75.00	43	50.00%
					1	25.00%
39	Ertsoverslagbedrijf Europoort C.V., Rotterdam, Netherlands		4,583	75.25	43	49.50%
					1	24.75%
					38	0.99%
40	ThyssenKrupp Stål Danmark A/S, Copenhagen, Denmark	DKK	800	100.00	43	
41	ThyssenKrupp Steel & Technologies Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	43	
42	ThyssenKrupp Steel (Asia Pacific) Pte. Ltd., Singapore, Singapore	SGD	500	100.00	43	
43	ThyssenKrupp Veerhaven B.V., Rotterdam, Netherlands		5,000	100.00	549	
	Steel Americas					
	CSA					
44	AirSteel Comercial Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00[2]	1	
45	ThyssenKrupp Companhia Siderúrgica do Atlântico, Rio de Janeiro, Brazil	BRL	14,382,258	73.13	48	
46	White Martins Steel Gases Industriais Ltda., Rio de Janeiro, Brazil	BRL	100	0.00[2]	1	
	ThyssenKrupp Steel USA					
47	ThyssenKrupp Steel USA, LLC, Wilmington/Delaware, USA	USD	1,000	100.00	49	
	Other Companies Steel Americas					
48	ThyssenKrupp Slab International B.V., Brielle, Netherlands		80	73.13	43	
49	ThyssenKrupp Steel Americas, LLC, Wilmington/Delaware, USA	USD	1	100.00	550	
	Materials Services					
	MetalsServices					
50	ThyssenKrupp Materials International GmbH, Essen		283,383	99.84	496	
51	Eisenmetall Handelsgesellschaft mbH, Gelsenkirchen		26	100.00	50	
52	Erich Weit GmbH, Munich		356	100.00	58	
53	Freiburger Stahlhandel GmbH, Freiburg i.Br.		2,200	51.00	50	
54	Herzog Coilex GmbH, Stuttgart		4,100	74.90	67	
55	Hövelmann & Co. Eisengroßhandlung GmbH, Gelsenkirchen		256	100.00	50	
56	Jacob Bek GmbH, Ulm		2,807	79.96	50	
57	Max Cochius GmbH, Berlin		920	75.00	50	
58	Otto Wolff Handelsgesellschaft mbH, Essen		15,400	99.50	50	
59	Peiniger International GmbH, Grünwald		1,023	100.00	60	
60	ThyssenKrupp Facilities Services GmbH, Düsseldorf		59,310	100.00	50	
61	ThyssenKrupp Information Services GmbH, Düsseldorf		41,600	100.00	509	
62	ThyssenKrupp Mannex GmbH, Essen		10,100	100.00	50	
63	ThyssenKrupp MetalServ GmbH, Essen		1,534	100.00	50	94.00%
					496	6.00%
64	ThyssenKrupp Schulte GmbH, Essen		26	100.00	50	
65	ThyssenKrupp Services Immobilien GmbH, Düsseldorf		50	100.00	50	
66	ThyssenKrupp Stahlkontor GmbH, Düsseldorf		1,486	99.98	50	77.70%
					124	19.91%
					509	2.38%
67	ThyssenKrupp Stahl-Service-Center GmbH, Krefeld		9,287	99.55	50	94.89%
					496	4.66%
68	Vermögensverwaltungsgesellschaft TAUS mbH, Grünwald		6,741	100.00	514	
69	Vermögensverwaltungsgesellschaft Xtend mbH, Grünwald		10,516	100.00	50	
70	Xtend new media Holding GmbH, Grünwald		100	100.00	61	
71	B.V.`Nedeximpo` Nederlandse Export- en Importmaatschappij, Amsterdam, Netherlands		1,362	100.00	102	
72	Carolina Building Materials, Inc., Carolina, Puerto Rico	USD	450	100.00	58	
73	Cimex-Nor S.A., San Sebastian, Spain		618	74.00	50	
74	LAGERMEX S.A. de C.V., Puebla, Mexico	MXN	120,545[1]	100.00	50	71.95%
					1	28.05%
75	LAMINCER S.A., Munguia, Spain		180[1]	100.00	50	60.00%
					73	40.00%
76	OOO ThyssenKrupp Materials, Moscow, Russia	RUB	928,369	97.89	50	

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
77	PALMETAL Armazenagem e Serivicos S.A., Palmela, Portugal		1,000	90.00	73	
78	Sidcomex S.A. de C.V., Puebla, Mexico	MXN	50 [1]	100.00	74	99.99%
					50	0.01%
79	Thyssen Sudamerica N.V., Willemstad, Netherland Antilles	USD	5,463	100.00	102	
80	Thyssen Trading S.A., São Paulo, Brazil	BRL	19,738 [1]	100.00	50	
81	ThyssenKrupp Christon N.V., Lokeren, Belgium		11,220	100.00	549	65.59%
					50	34.41%
82	ThyssenKrupp Energostal S.A., Torun, Poland	PLN	15,000	84.00	50	
83	ThyssenKrupp Ferostav, spol. s r.o., Nové Zámky, Slovakia		1,492	80.00	50	
84	ThyssenKrupp Ferroglobus Kereskedelmi ZRt, Budapest, Hungary	HUF	3,244,000	100.00	50	
85	ThyssenKrupp Ferrosta spol. s.r.o., Prague, Czech Republic	CZK	200	100.00	50	
86	ThyssenKrupp Industrial Services Canada, Inc., Windsor/Ontario, Canada	CAD	0	100.00	539	
87	ThyssenKrupp Industrial Services NA, Inc., Southfield/Michigan, USA	USD	25	100.00	101	
88	ThyssenKrupp ISIS Holding, Inc., Wilmington/Delaware, USA	USD	1	100.00	101	
89	ThyssenKrupp Logistics, Inc., Wilmington/Delaware, USA	USD	1	100.00	101	
90	ThyssenKrupp Mannex Asia Pte. Ltd., Singapore, Singapore	USD	154	100.00	62	
91	ThyssenKrupp Mannex Pty. Ltd., Sydney/New South Wales, Australia	AUD	213	100.00	50	
92	ThyssenKrupp Mannex Sverige AB, Göteborg, Sweden	SEK	2,000	100.00	62	
93	ThyssenKrupp Mannex UK Ltd., Woking, Great Britain	GBP	2,175	100.00	552	
94	ThyssenKrupp Materials Austria GmbH, Vienna, Austria		2,455	100.00	531	
95	ThyssenKrupp Materials CA Ltd., Concord/Ontario, Canada	CAD	14,778	100.00	101	
96	ThyssenKrupp Materials d.o.o., Indjija, Serbia		9,990	100.00	50	
97	ThyssenKrupp Materials France S.A.S., Maurepas, France		25,958	100.00	544	
98	ThyssenKrupp Materials Holding (Thailand) Ltd., Samut Prakarn Province, Thailand	THB	46,900	100.00	50	49.00%
					107	51.00%
99	ThyssenKrupp Materials Ibérica S.A., Martorelles, Spain		7,681	100.00	527	
100	ThyssenKrupp Materials Korea Company Ltd., Seoul, South Korea	KRW	7,000,000	60.00	50	
101	ThyssenKrupp Materials NA, Inc., Southfield/Michigan, USA	USD	2	100.00	550	
102	ThyssenKrupp Materials Nederland B.V., Amsterdam, Netherlands		9,076	100.00	549	
103	ThyssenKrupp Materials Romania S.R.L., Bucharest, Romania	RON	21,552 [1]	100.00	50	
104	ThyssenKrupp Materials Schweiz AG, Bronschhofen, Switzerland	CHF	4,600	100.00	50	
105	ThyssenKrupp Materials (Shanghai) Co., Ltd., Shanghai, PR China	CNY	23,000 [1]	70.00	50	
106	ThyssenKrupp Materials Sverige AB, Göteborg, Sweden	SEK	23,090	100.00	50	
107	ThyssenKrupp Materials (Thailand) Co., Ltd., Bangkok, Thailand	THB	200,000	83.50	50	49.00%
					98	34.50%
108	ThyssenKrupp Materials (UK) Ltd., Smethwick, Great Britain	GBP	12,032	100.00	552	
109	ThyssenKrupp Materials Vietnam LLC, Hanoi, Vietnam	VND	121,000,000	100.00	50	
110	ThyssenKrupp OnlineMetals, LLC, Southfield/Michigan, USA	USD	1,600	100.00	101	
111	ThyssenKrupp Portugal - Aços e Serviços, S.A., Carregado, Portugal		1,170	100.00	50	98.29%
					99	1.71%
112	ThyssenKrupp Securitization Corp., Southfield/Michigan, USA	USD	0	100.00	550	
113	ThyssenKrupp Service Acier S.A.S., Fosses, France		14,000	100.00	544	
114	ThyssenKrupp Stahlunion Polska Sp. z o.o., Katowitz, Poland	PLN	100	100.00	58	
115	ThyssenKrupp Stal Serwis Polska Sp. z o.o., Dabrowa Górnicza, Poland	PLN	28,000	100.00	67	
116	ThyssenKrupp Steel Distribution, LLC , Wilmington/Delaware, USA	USD	1	100.00	101	
117	ThyssenKrupp-Jupiter Stomana OOD, Sofia, Bulgaria	BGN	500	80.00	50	
	SpecialServices					
118	DSU Beteiligungs-Gesellschaft für Dienstleistungen und Umwelttechnik mbH, Oberhausen		30	100.00	126	
119	ThyssenKrupp Aerospace Germany GmbH, Rodgau, Nieder-Roden	DEM	1,000	100.00	50	
120	ThyssenKrupp AT.PRO tec GmbH, Essen		42	61.19	125	
121	ThyssenKrupp Bauservice GmbH, Hückelhoven		2,557	100.00	50	94.90%
					496	5.10%
122	ThyssenKrupp Bautechnik GmbH, Essen		500	100.00	50	
123	ThyssenKrupp GfT Gleistechnik GmbH, Essen		1,000	100.00	50	
124	ThyssenKrupp Industrial Services Holding GmbH, Düsseldorf		50,000	100.00	50	94.90%
					509	5.10%

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
125	ThyssenKrupp Metallurgical Products GmbH, Essen		8,000	100.00	50	82.53%
					124	17.47%
126	ThyssenKrupp MillServices & Systems GmbH, Duisburg		1,875	68.00	124	
127	ThyssenKrupp Plastics GmbH, Essen		10,000	100.00	60	
128	ThyssenKrupp Tiefbautechnik GmbH, Essen		26	100.00	122	
129	Vermögensverwaltungsgesellschaft TKAS mbH, Grünwald		4,536	100.00	50	94.71%
					509	5.29%
130	Alfaplast AG, Steinhausen, Switzerland	CHF	250	100.00	164	
131	DSU - Romania S.r.l., Bucharest, Romania	RON	6,968	100.00	118	
132	Indu-Light AG, Beromünster/Luzern, Switzerland	CHF	150	53.33	133	
133	Neomat AG, Beromünster/Luzern, Switzerland	CHF	200	100.00	164	
134	Notz Plastics AG, Biel/Bienne, Switzerland	CHF	1,000	100.00	164	
135	OOO ThyssenKrupp Bautechnik technischer Service, St. Petersburg, Russia	RUB	360[1)]	100.00	122	
136	RIAS A/S, Roskilde, Denmark	DKK	23,063	54.15	60	
137	RIP Comércio Ltda., São Paulo, Brazil	BRL	619	100.00	138	
138	RIP Serviços Industriais Ltda., São Paulo, Brazil	BRL	180,562	100.00	50	
139	RIP Serviços Siderúrgicos Ltda., Rio de Janeiro, Brazil	BRL	1,000	100.00	138	100.00%[3)]
					137	0.00%[3)]
140	Röhm Italia S.r.l., Garbagnate Milanese, Italy		100	100.00	546	
141	Steba AG, Pfäffikon, Switzerland	CHF	500	100.00	133	
142	STEBA Direktverkauf Kunststoffe + Plexiglas GmbH, Hunzenschwil, Switzerland	CHF	20	100.00	141	
143	ThyssenKrupp Aerospace Australia Pty. Ltd., Wetherill Park/New South Wales, Australia	AUD	2,549	100.00	146	
144	ThyssenKrupp Aerospace Finland Oy, Mänttä, Finland		59	100.00	146	
145	ThyssenKrupp Aerospace India Private Ltd., Bangalore, India	INR	100	100.00	146	99.99%
					149	0.01%
146	ThyssenKrupp Aerospace International Holdings Ltd., Birmingham, Great Britain	GBP	650	100.00	149	
147	ThyssenKrupp Aerospace Nederland B.V., Venlo, Netherlands		18	100.00	549	
148	ThyssenKrupp Aerospace (Shanghai) Co. Ltd., Shanghai, PR China	USD	2,000	100.00	149	
149	ThyssenKrupp Aerospace UK Ltd., Birmingham, Great Britain	GBP	3,295	100.00	552	
150	ThyssenKrupp Aerospace (Xi'an) Co., Ltd., Xi'an, PR China	USD	175	100.00	540	
151	ThyssenKrupp Autômata Industria de Peças Ltda., São Paulo , Brazil	BRL	335	80.00	138	
152	ThyssenKrupp Cadillac Plastic S.A.S., Mitry-Mory, France		1,053	100.00	544	
153	ThyssenKrupp Comércio de Combustíveis e Gases Ltda., Rio de Janeiro, Brazil	BRL	100,230	100.00	125	95.00%
					45	5.00%
154	ThyssenKrupp GfT Polska Sp. z o.o., Krakow, Poland	PLN	15,750	100.00	123	
155	ThyssenKrupp Máquinas e Equipamentos Ltda., Rio de Janeiro, Brazil	BRL	10	100.00	138	95.00%
					45	5.00%
156	ThyssenKrupp Materials, LLC, Southfield/Michigan, USA	USD	1	100.00	101	
157	ThyssenKrupp Metallurgical Products Co., Ltd. Tianjin, Tianjin, PR China	USD	200[1)]	100.00	125	
158	ThyssenKrupp Otto Wolff N.V./S.A, Mechelen, Belgium		711	100.00	60	
159	ThyssenKrupp Plastic Ibérica SL, Massalfassar (Valencia), Spain		3,000	100.00	527	
160	ThyssenKrupp Plastics Austria GmbH, Hörsching, Austria		182	100.00	531	
161	ThyssenKrupp Services Ltd., Coventry, Great Britain	GBP	125	100.00	162	
162	ThyssenKrupp Services (UK) Ltd., Business Park Coventry West Midlands, Great Britain	GBP	656	100.00	552	
163	ThyssenKrupp Steelcom Pty. Ltd., North Sydney/New South Wales, Australia	AUD	0	100.00	122	
164	ThyssenKrupp Stokvis Plastics B.V., Roosendaal, Netherlands		4,500	100.00	549	
165	ThyssenKrupp-Dopravné Stavby Slovensko s.r.o., Bratislava, Slovakia	SKK	1,000[1)]	51.00	123	
166	TOO ThyssenKrupp-CL COO, Aktau, Kazakhstan	KZT	32,000[1)]	51.00	122	
167	UAB ThyssenKrupp Baltija, Klaipeda, Lithuania	LTL	10[1)]	51.00	122	
	Elevator Technology					
	Corporate Elevator					
168	ThyssenKrupp Elevator AG, Düsseldorf		100,000	100.00	496	
169	ELEG Europäische Lift + Escalator GmbH, Düsseldorf		51	100.00	168	
170	Rheinstahl Union Gesellschaft mit beschränkter Haftung, Düsseldorf		26	100.00	168	
171	ThyssenKrupp Elevator Research GmbH, Düsseldorf		25	100.00	169	

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	Central/Eastern/Northern Europe (CENE)					
172	Christian Hein GmbH, Langenhagen		522	100.00	182	
173	GMT Aufzug-Service GmbH, Forst		52	100.00	182	
174	GWH Aufzüge GmbH, Himmelstadt		26	100.00	182	
175	Haisch Aufzüge GmbH, Gingen/Fils		50	100.00	182	
176	Hanseatische Aufzugsbau GmbH, Rostock		33	100.00	182	
177	LiftEquip GmbH Elevator Components, Neuhausen a.d.F.		25	100.00	182	
178	Liftservice und Montage GmbH, Saarbrücken		51	100.00	182	
179	Tepper Aufzüge GmbH, Münster		1,641	100.00	182	
180	ThyssenKrupp Aufzüge GmbH, Stuttgart		2,700	100.00	183	
181	ThyssenKrupp Aufzugswerke GmbH, Neuhausen a.d.F.		10,226	99.50	182	
182	ThyssenKrupp Elevator (CENE) GmbH, Essen		7,100	100.00	168	
183	ThyssenKrupp Elevator (CENE) Infrastruktur GmbH, Essen		2,700	100.00	182	
184	Ascenseurs Drieux-Combaluzier S.A.S., Les Lilas, France		977	100.00	198	
185	Bardeck Lift Engineers Ltd., Nottingham, Great Britain	GBP	11	100.00	552	
186	Compagnie des Ascenseurs et Elevateurs S.A.M. 'CASEL SAM', Monaco, Monaco		153	99.60	198	
187	Hammond & Champness Ltd., Nottingham, Great Britain	GBP	500	100.00	201	
188	HK Services A/S, Bergen, Norway	NOK	351	100.00	202	
189	KONCAR-DIZALA I SERVIS d.o.o. Mostar, Mostar, Croatia	DEM	16 [1]	51.00	204	
190	MGTI SNEV S.A.S., Saint Jeannet, France		526	100.00	198	
191	MP Transtec AB, Kävlinge, Sweden	SEK	100	100.00	221	
192	Mulder Liftservice B.V., Nuth, Netherlands		18	100.00	208	
193	OOO ThyssenKrupp Elevator, Moscow, Russia	RUB	14,344 [1]	100.00	182	
194	Proxi-Line E.U.R.L., Angers, France		77	100.00	209	
195	Skylift B.V., Barneveld, Netherlands		18 [1]	100.00	208	99.94%
					220	0.06%
196	The Britannic Lift Company Ltd., Nottingham, Great Britain	GBP	35	100.00	201	
197	ThyssenKrupp Ascenseurs Luxembourg S.a.r.l., Luxembourg, Luxembourg		34	100.00	182	
198	ThyssenKrupp Ascenseurs S.A.S., Angers, France		8,117	100.00	209	
199	ThyssenKrupp Aufzüge AG, Rümlang, Switzerland	CHF	1,165	100.00	182	85.84%
					198	14.16%
200	ThyssenKrupp Aufzüge Gesellschaft m.b.H., Vienna, Austria		370	100.00	531	
201	ThyssenKrupp Aufzüge Ltd., Nottingham, Great Britain	GBP	20,990	100.00	552	
202	ThyssenKrupp Aufzüge Norge A/S, Oslo, Norway	NOK	5,200	100.00	182	
203	ThyssenKrupp Aufzugswerke Konstruktions GmbH, Gratkorn, Austria		35	100.00	531	60.00%
					181	40.00%
204	ThyssenKrupp Dizala d.o.o., Zagreb, Croatia	HRK	17,204	100.00	182	
205	ThyssenKrupp dvigala d.o.o., Trzin, Slovakia		805	100.00	531	
206	ThyssenKrupp Elevator A/S, Glostrup, Denmark	DKK	550	100.00	182	
207	ThyssenKrupp Elevator A/S, Oslo, Norway	NOK	100	100.00	202	
208	ThyssenKrupp Elevator B.V., Krimpen aan den IJssel, Netherlands		4,977	100.00	549	
209	ThyssenKrupp Elevator Holding France S.A.S., Puteaux Cedex, France		34,433	100.00	544	
210	ThyssenKrupp Elevator Ireland, Ltd., Dublin, Ireland		63	100.00	201	
211	ThyssenKrupp Elevator Manufacturing France S.A.S., Angers, France		4,602	100.00	198	
212	ThyssenKrupp Elevator Sp. z o.o., Warsaw, Poland	PLN	15,300	100.00	182	
213	ThyssenKrupp Elevator Sverige AB, Stockholm, Sweden	SEK	8,542	100.00	202	
214	ThyssenKrupp Elevator UK Ltd., Nottingham, Great Britain	GBP	2,300	100.00	201	
215	ThyssenKrupp Elevatori d.o.o., Belgrad, Serbia		1,150 [1]	100.00	200	
216	ThyssenKrupp Hissit Oy, Helsinki, Finland		42	100.00	182	
217	ThyssenKrupp Kazlift LLP, Almaty, Kazakhstan	KZT	234,876	100.00	241	
218	ThyssenKrupp Lift Kft, Budapest, Hungary	HUF	101,480	100.00	200	
219	ThyssenKrupp Liften Ascenseurs S.A., Brussel, Belgium		2,480	100.00	182	100.00% [1]
					168	0.00% [1]
220	ThyssenKrupp Liften B.V., Krimpen aan den IJssel, Netherlands		1,875	100.00	208	

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
221	ThyssenKrupp Rulletrapper A/S, Oslo, Norway	NOK	100	100.00	202	
222	ThyssenKrupp Vytahy s.r.o., Bratislava, Slovakia		266	100.00	200	
223	ThyssenKrupp Vytahy s.r.o., Prague, Czech Republic	CZK	90,593	100.00	182	
224	TOB ThyssenKrupp Elevator Ukraine, Kiew, Ukraine	UAH	50,184 [1]	100.00	182	99.90%
					169	0.10%
225	Trapo Küng AG, Basel, Switzerland	CHF	500	100.00	199	
	Southern Europe/Africa/Middle East (SEAME)					
226	ASEL Ascensores S.L., Madrid, Spain		606	100.00	241	
227	Eurolift Elevatori S.r.l., Rimini, Italy		10	100.00	546	
228	M.Z. Ascensori S.R.L., Milano, Italy		10	100.00	546	
229	ThyssenKrupp Asansör Sanayi ve Tic. A.S., Istanbul, Turkey	TRY	45,664	100.00	182	67.55%
					168	32.45%
230	ThyssenKrupp Elevadores, S.A., Lissabon, Portugal		3,586	100.00	241	
231	ThyssenKrupp Elevadores, S.L., Madrid, Spain		4,696	100.00	241	
232	ThyssenKrupp Elevator Almoayyed W.L.L., Manama, Bahrain	BHD	20	70.00	168	
233	ThyssenKrupp Elevator Egypt Ltd., Kairo, Egypt	EGP	2,400	100.00	168	75.00%
					241	25.00%
234	ThyssenKrupp Elevator Israel LP, Rishon Le'zion, Israel	ILS	40,000	100.00	169	49.90%
					241	49.90%
					622	0.20%
235	ThyssenKrupp Elevator Italia S.p.A., Milano, Italy		490	100.00	546	
236	ThyssenKrupp Elevator L.L.C., Abu Dhabi, United Arab Emirates	AED	500	49.00	168	
237	ThyssenKrupp Elevator Manufacturing S.L.U., Andoain, Spain		281	100.00	231	
238	ThyssenKrupp Elevator Maroc S.A.R.L., Casablanca. Marruecos , Marocco	MAD	2,085	100.00	241	95.00%
					231	5.00%
239	ThyssenKrupp Elevator Saudi Co. Ltd., Riyadh, Saudi Arabia	SAR	2,000	100.00	182	90.00%
					170	10.00%
240	ThyssenKrupp Elevator (South Africa) (Pty.) Ltd., Johannesburg, South Africa	ZAR	111	100.00	168	
241	ThyssenKrupp Elevator Southern Europe, Africa & Middle East, S.L.U., Madrid, Spain		306,109	100.00	527	
242	ThyssenKrupp Elevator SRL, Bucharest, Romania	RON	1,545 [1]	100.00	241	100.00% [3]
					231	0.00% [3]
243	ThyssenKrupp Elevator UAE (L L C), Dubai, United Arab Emirates	AED	80,300	100.00	168	
244	ThyssenKrupp Elevator/Jordan Ltd. Co., Amman, Jordan	JOD	1,569	100.00	168	
245	ThyssenKrupp Elevators Bulgaria EAD, Sofia, Bulgaria	BGN	1,445 [1]	100.00	241	
246	ThyssenKrupp Elevators Hellas S.A., Athen, Greece		4,840	100.00	168	51.00%
					241	49.00%
247	ThyssenKrupp Industries and Services Qatar LLC, Doha, Qatar	QAR	2,000	100.00	168	
	Americas (AMS)					
248	Computerized Elevator Control Corp., New York, USA	USD	8	100.00	259	
249	ThyssenKrupp Elevadores, S.A., São Paulo , Brazil	BRL	259,607	99.81	231	
250	ThyssenKrupp Elevadores, S.A., Guatemala, Guatemala	GTQ	10,178 [1]	100.00	231	90.00%
					254	10.00%
251	ThyssenKrupp Elevadores S.A., Santiago de Chile-Nunoa, Chile	CLP	2,289,533	100.00	231	98.84%
					254	1.16%
252	ThyssenKrupp Elevadores S.A., Panama, Panama	USD	867 [1]	100.00	231	
253	ThyssenKrupp Elevadores S.A., Bogota, Columbia	COP	5,657,905 [1]	100.00	231	94.00%
					250	1.50%
					251	1.50%
					254	1.50%
					256	1.50%
254	ThyssenKrupp Elevadores S.A., Buenos Aires, Argentina	ARS	18,728 [1]	100.00	231	94.98%
					251	5.02%
255	ThyssenKrupp Elevadores, S.A. de C.V., Mexico City, Mexico	MXN	75,036 [1]	100.00	231	99.93%
					254	0.07%

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
256	ThyssenKrupp Elevadores S.A.C., Lima, Peru	PEN	12,556 [1]	100.00	231	99.81%
					254	0.19%
257	ThyssenKrupp Elevadores, S.R.L., Asunción, Paraguay	PYG	1,330,000 [1]	100.00	231	100.00% [3]
					254	0.00% [3]
258	ThyssenKrupp Elevadores, S.R.L., Montevideo, Uruguay	UYU	6,303	100.00	231	95.00%
					254	5.00%
259	ThyssenKrupp Elevator Americas Corp., Wilmington/Delaware, USA	USD	0	100.00	550	
260	ThyssenKrupp Elevator Canada Ltd., Toronto/Ontario, Canada	CAD	178,141	100.00	265	
261	ThyssenKrupp Elevator Capital Corp., Wilmington/Delaware, USA	USD	302,250	100.00	262	
262	ThyssenKrupp Elevator Corp., Wilmington/Delaware, USA	USD	26,261	100.00	259	
263	ThyssenKrupp Elevator Inc., San Juan, Puerto Rico	USD	1	100.00	262	
264	ThyssenKrupp Elevator Manufacturing Inc., Collierville/Tennessee, USA	USD	1	100.00	262	
265	ThyssenKrupp Northern Elevator Corp., Scarborough/Ontario, Canada	CAD	174,100	100.00	539	
	Asia/Pacific (AP)					
266	PT. ThyssenKrupp Elevator Indonesia, Jakarta, Indonesia	IDR	12,760,653	94.68	168	
267	Sun Rhine Enterprises Ltd., Taipei, Taiwan	TWD	138,075	100.00	168	
268	Sun Rich Enterprises Ltd., Taipei, Taiwan	TWD	6,000	100.00	168	
269	Thyssen Elevators Co., Ltd., Zhongshan, PR China	USD	31,680 [1]	100.00	168	
270	ThyssenKrupp Elevator & Escalator (Shanghai) Co.Ltd., Shanghai, PR China	USD	5,250 [1]	100.00	540	
271	ThyssenKrupp Elevator Asia Pacific Ltd., Hongkong, PR China	HKD	58,000	100.00	168	
272	ThyssenKrupp Elevator Australia Pty. Ltd., Sydney/New South Wales, Australia	AUD	4,300	100.00	285	
273	ThyssenKrupp Elevator (BD) Pvt. Ltd., Dhaka, Bangladesh	BDT	3,395	100.00	275	
274	ThyssenKrupp Elevator (HK) Ltd., Hongkong, PR China	HKD	164,970	100.00	168	
275	ThyssenKrupp Elevator (India) Private Limited, New Delhi, India	INR	881,620	100.00	168	100.00% [3]
					169	0.00% [3]
276	ThyssenKrupp Elevator Installation and Maintenance (China) Co. Ltd., Guangzhou, PR China	USD	6,500 [1]	100.00	540	
277	ThyssenKrupp Elevator (Korea) Ltd., Seoul, South Korea	KRW	1,273,220	100.00	168	
278	ThyssenKrupp Elevator Malaysia Sdn. Bhd., Selangor, Malaysia	MYR	500	100.00	168	
279	ThyssenKrupp Elevator New Zealand Ltd., Auckland, New Zealand	NZD	1	100.00	272	
280	ThyssenKrupp Elevator Queensland Pty. Ltd., Melbourne/Victoria, Australia	AUD	0	100.00	285	
281	ThyssenKrupp Elevator (Singapore) Pte.Ltd., Singapore, Singapore	SGD	4,800	100.00	168	
282	ThyssenKrupp Elevator (Thailand) Co., Ltd., Bangkok, Thailand	THB	155,776	100.00	168	
283	ThyssenKrupp Elevator Vietnam Co., Ltd., Hanoi, Vietnam	USD	200	100.00	168	
284	ThyssenKrupp Elevators (Shanghai) Co., Ltd., Shanghai, PR China	USD	13,940 [1]	100.00	540	
285	ThyssenKrupp Lifts Pacific Pty. Ltd., Alexandria/New South Wales, Australia	AUD	5,151	100.00	168	
286	ThyssenKrupp Technologies (Cambodia) Co., Ltd., Phnom Penh, Cambodia	KHR	200,000 [1]	100.00	168	
287	TK Lif & Eskalator Sdn. Bhd., Shah Alam, Malaysia	MYR	100	100.00	168	70.00%
					278	30.00%
	Escalators/Passenger Boarding Bridges (ES/PBB)					
288	ThyssenKrupp Elevator (EBC) GmbH, Berlin		25	100.00	168	
289	ThyssenKrupp Elevator (ES/PBB) GmbH, Essen		25	100.00	168	
290	ThyssenKrupp Fahrtreppen GmbH, Hamburg		1,311	100.00	182	
291	AVIOTEAM Servizio e Manutenzioni S.r.l., Rome, Italy		52 [1]	65.00	292	
292	ThyssenKrupp Airport Services S.L., Mieres / Asturias, Spain		150	100.00	295	
293	ThyssenKrupp Airport Systems Co. (Zhongshan) Ltd., Zhongshan/Guangdong, PR China	USD	10,372 [1]	100.00	540	
294	ThyssenKrupp Airport Systems Inc., Fort Worth/Texas, USA	USD	3,510	100.00	550	
295	ThyssenKrupp Airport Systems, S.A., Mieres/Oviedo, Spain		1,743	100.00	231	100.00% [3]
					298	0.00% [3]
296	ThyssenKrupp Elevator Innovation Center, S.A., Mieres/Oviedo, Spain		902	100.00	298	
297	ThyssenKrupp Escalator Co. (China) Ltd., Zhongshan/Guangdong, PR China	USD	14,800 [1]	100.00	540	
298	ThyssenKrupp Norte S.A., Mieres/Oviedo, Spain		4,147	100.00	527	66.30%
					231	33.70%
	Access (ACC)					
299	ThyssenKrupp Access Holding GmbH, Essen		25	100.00	168	
300	ThyssenKrupp Encasa GmbH, Neuss		32	100.00	168	

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Fully consolidated group companies (as of September 30, 2012)

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301	ThyssenKrupp Access China Ltd., Shanghai, PR China	USD	1,970	100.00	540	
302	ThyssenKrupp Access Corp., Kansas City/Missouri, USA	USD	0	100.00	550	
303	ThyssenKrupp Access Japan Co., Ltd., Tokyo, Japan	JPY	47,000	100.00	168	
304	ThyssenKrupp Access Ltd., Stockton-on-Tees, Great Britain	GBP	100	100.00	552	
305	ThyssenKrupp Access Manufacturing, LLC, Wilmington/Delaware, USA	USD	2,500	100.00	302	
306	ThyssenKrupp Accessibility B.V., Krimpen aan den Ijssel, Netherlands		1,270	100.00	208	
307	ThyssenKrupp Encasa AS, Oslo, Norway	NOK	110	100.00	202	
308	ThyssenKrupp Encasa Asansör Sanayi Ve Ticaret A.S., Istanbul, Turkey	TRY	1,250 [1]	60.00	299	
309	ThyssenKrupp Encasa B.V., Krimpen aan den Ijssel, Netherlands		97	100.00	208	
310	ThyssenKrupp Encasa Limited, Cleveland, Great Britain	GBP	7	100.00	304	
311	ThyssenKrupp Encasa N.V., Gent, Belgium		450	100.00	208	99.93%
					299	0.07%
312	ThyssenKrupp Encasa, SA, Sintra, Portugal		50	100.00	168	
313	ThyssenKrupp Encasa S.A.S., Courbevoie, France		128	100.00	209	
314	ThyssenKrupp Encasa S.L., Madrid, Spain		3	100.00	527	
315	ThyssenKrupp Encasa S.r.l., Pisa, Italy		500	100.00	235	
316	ThyssenKrupp Monolift AB, Stockholm, Sweden	SEK	100	100.00	208	
	Plant Technology					
	Uhde					
317	AWG Industrieanlagen und Wassertechnik GmbH Berlin, Berlin	DEM	50	100.00	319	
318	GKI-OFU Industrieofenbau GmbH, Dortmund		26	100.00	319	
319	ThyssenKrupp Uhde GmbH, Dortmund		49,650	100.00	521	94.90%
					496	5.10%
320	Uhde High Pressure Technologies GmbH, Hagen		1,023	100.00	319	
321	Uhde Inventa-Fischer GmbH, Berlin		3,210	100.00	319	
322	Uhde Services GmbH, Haltern am See		588	100.00	319	
323	OOO Uhde, Dzerzhinsk, Russia	RUB	5,000 [1]	100.00	319	
324	OSC Process Engineering Ltd., Stockport, Great Britain	GBP	350	90.00	552	
325	ThyssenKrupp Otto Corp., Japan, Tokyo, Japan	JPY	480,000	100.00	319	
326	ThyssenKrupp PDNA Engineering (Proprietary) Ltd., Sunninghill, South Africa	ZAR	1,000	74.90	375	
327	ThyssenKrupp Singapore Pte. Ltd., Singapore, Singapore	SGD	1,000	100.00	319	
328	ThyssenKrupp Uhde Energy & Power Consultants Ltd., Wales, Great Britain	GBP	1 [1]	100.00	329	
329	ThyssenKrupp Uhde Energy & Power Global Limited, Wales, Great Britain	GBP	1 [1]	100.00	552	
330	ThyssenKrupp Uhde Energy & Power Ltd., Wales, Great Britain	GBP	300 [1]	100.00	329	
331	Uhde Arabia Ltd., Al-Khobar, Saudi Arabia	SAR	2,000	60.00	319	
332	Uhde Asia Pacific Pty. Ltd., West Melbourne/Victoria, Australia	AUD	857	100.00	319	
333	Uhde Corporation of America, Bridgeville/Pennsylvania, USA	USD	0	100.00	550	
334	Uhde Engineering Consulting (Shanghai) Co., Ltd., Shanghai, PR China		364 [1]	100.00	342	
335	Uhde Engineering de México, S.A. de C.V., Mexico D.F., Mexico	MXN	8,919 [1]	100.00	340	99.99%
					319	0.01%
336	Uhde Engineering Egypt Company (S.A.E.), Kairo, Egypt	EGP	250	100.00	319	
337	Uhde Fertilizer Technology B.V., Amsterdam, Netherlands		18	100.00	549	
338	Uhde India Private Ltd., Mumbai, India	INR	29,440	80.43	319	
339	Uhde Inventa-Fischer AG, Domat / Ems, Switzerland	CHF	100	100.00	319	
340	Uhde Mexico S.A. de C.V., Mexico City, Mexico	MXN	45,219 [1]	100.00	319	98.06%
					527	1.22%
					344	0.72%
341	Uhde Services Slovakia s.r.o., Lazaretská, Slovakia	SKK	200	100.00	322	85.00%
					319	15.00%
342	Uhde Shedden (Australia) Pty. Ltd., South Melbourne/Victoria, Australia	AUD	5,757	100.00	332	
343	Uhde (Thailand) Ltd., Bangkok, Thailand	THB	31,000	48.38	332	
	Polysius					
344	ThyssenKrupp Polysius AG, Beckum		10,737	100.00	521	94.90%
					496	5.10%
345	A-C Equipment Services Corp., Milwaukee/Wisconsin, USA	USD	4,500	100.00	350	

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
346	ELEX CemCat AG, Schwerzenbach, Switzerland	CHF	100	60.00	344	
347	Maerz Ofenbau AG, Zurich, Switzerland	CHF	1,000	100.00	344	
348	OOO Polysius, Moscow, Russia	RUB	17,000	100.00	344	
349	Polysius Asia Pacific Pte. Ltd., Singapore, Singapore	SGD	100	100.00	344	
350	Polysius Corp., Atlanta/Georgia, USA	USD	0	100.00	550	
351	Polysius de Argentina S.A., Buenos Aires, Argentina	ARS	120	100.00	344	
352	Polysius de Mexico S.A. de C.V., Mexico-City, Mexico	MXN	12,000 [1]	100.00	344	
353	Polysius del Peru S.A., Arequipa, Peru	PEN	28,678	100.00	344	99.01%
					352	0.99%
354	Polysius do Brasil Ltda., São Paulo, Brazil	BRL	62,179	100.00	344	
355	Polysius Engineering Sdn. Bhd., Kuala Lumpur, Malaysia	MYR	500	100.00	344	
356	Polysius Ingenieria y Servicios del Peru S.A., Arequipa, Peru	PEN	410	100.00	344	99.00%
					351	1.00%
357	Polysius Ltd., Ascot/Berkshire, Great Britain	GBP	300	100.00	552	
358	Polysius S.A., Madrid, Spain		601	100.00	527	
359	Polysius S.A.S., Aix en Provence, France		2,400	100.00	544	
360	Polysius (Shanghai) Co., Ltd., Shanghai, PR China		12,082	100.00	540	
361	Polysius Vietnam Ltd., Hanoi, Vietnam	VND	2,416,700	100.00	344	
362	PT. ThyssenKrupp Polysius Indonesia, Jakarta, Indonesia	USD	250	67.00	344	
363	ThyssenKrupp Engineering (Proprietary) Ltd., Gaborone, Botswana	BWP	3	100.00	375	99.97%
					344	0.03%
364	ThyssenKrupp Polysius Australia Pty. Ltd., Perth/Western Australia, Australia	AUD	50	100.00	344	
365	ThyssenKrupp Saudi Arabia Contracting Company Limited, Riyadh, Saudi Arabia	SAR	2,000 [1]	100.00	359	90.00%
					378	10.00%
366	ThyssenKrupp Servicios S.A. de C.V., Mexico D.F., Mexico	MXN	50 [1]	100.00	352	98.00%
					344	2.00%
367	TOV Polysius Ukraine, Kiew, Ukraine		300	100.00	344	
368	Umatac Industrial Processes Inc., Calgary/Alberta, Canada	CAD	5,636	70.00	344	
	Fördertechnik					
369	ThyssenKrupp Fördertechnik GmbH, Essen		22,344	100.00	521	94.90%
					496	5.10%
370	Krupp Canada Inc., Calgary/Alberta, Canada	CAD	5,000	100.00	369	
371	Mining Plants & Systems Bulgaria EOOD, Sofia, Bulgaria	BGN	5 [1]	100.00	369	
372	PWH Materials Handling Systems Inc., Calgary/Alberta, Canada	CAD	20	100.00	369	
373	ThyssenKrupp BulkTec (China) Ltd., Beijing, PR China		5,000 [1]	100.00	540	
374	ThyssenKrupp Engineering (Australia) Pty. Ltd., Stirling/Western Australia, Australia	AUD	170	100.00	369	
375	ThyssenKrupp Engineering (Proprietary) Ltd., Sunninghill, South Africa	ZAR	101	100.00	319	60.00%
					369	30.00%
					344	10.00%
376	ThyssenKrupp Industries India Pvt. Ltd., Pimpri, India	INR	97,865	54.73	499	
377	ThyssenKrupp Ingenieria Chile Ltda., Santiago de Chile, Chile	USD	15	100.00	380	
378	ThyssenKrupp KH Mineral S.A.S., Sarreguemines, France		1,000	100.00	544	
379	ThyssenKrupp Materials Handling Pty. Ltd., Stirling/Western Australia, Australia	AUD	25	100.00	369	
380	ThyssenKrupp Robins Inc., Denver/Colorado, USA	USD	0	100.00	550	
	System Engineering					
381	ThyssenKrupp System Engineering GmbH, Essen		50	100.00	521	
382	OOO ThyssenKrupp System Engineering, Kaluga, Russia	RUB	4,500	100.00	381	
383	ThyssenKrupp Krause Ltd., Redhill/Surrey, Great Britain	GBP	0	100.00	552	
384	ThyssenKrupp System Engineering, Inc., Auburn Hills/Michigan, USA	USD	150	100.00	550	
385	ThyssenKrupp System Engineering India Private Limited, Pune, India	INR	12,000	100.00	381	99.90%
					521	0.10%
386	ThyssenKrupp System Engineering Ltd., East Grinstead, West Sussex, Great Britain	GBP	130	100.00	552	
387	ThyssenKrupp System Engineering Ltda., Diadema-São Paulo, Brazil	BRL	110,959	100.00	521	99.75%
					354	0.25%

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
388	ThyssenKrupp System Engineering S.A., Barcelona, Spain		60	100.00	527	
389	ThyssenKrupp System Engineering, S.A. de C.V., Santiago de Querétaro, Mexico	MXN	4,929 [1]	100.00	381	
390	ThyssenKrupp System Engineering S.A.S., Ensisheim, France		458	100.00	544	
391	ThyssenKrupp System Engineering (Shanghai) Co., Ltd., Shanghai, PR China		1,000 [1]	100.00	540	
392	ThyssenKrupp System Engineering Sp. z o.o., Gdansk, Poland	PLN	23,646	100.00	381	
	Transrapid					
393	ThyssenKrupp Transrapid GmbH, Kassel	DEM	1,500	100.00	521	
	Other companies Plant Technology					
394	Uhde Services and Consulting GmbH, Dortmund		26	100.00	521	
	Components Technology					
	Presta Camshafts					
395	ThyssenKrupp Presta Chemnitz GmbH, Chemnitz		25	100.00	521	
396	ThyssenKrupp Presta Ilsenburg GmbH, Ilsenburg		307	100.00	521	94.98%
					496	5.02%
397	ThyssenKrupp Valvetrain GmbH, Ilsenburg (Harz)		25	100.00	521	
398	ThyssenKrupp Presta Dalian Co. Ltd., Dalian, PR China		18,500	100.00	540	
399	ThyssenKrupp Presta Danville, LLC, Danville/Illinois, USA	USD	0	100.00	550	
400	ThyssenKrupp Presta TecCenter AG, Eschen, Liechtenstein	CHF	10,000	100.00	396	
	Forging-Group					
401	ThyssenKrupp Gerlach GmbH, Homburg/Saar		34,257	100.00	521	
402	ThyssenKrupp Crankshaft Co. LLC, Danville/Illinois, USA	USD	1	100.00	550	
403	ThyssenKrupp Engine Components (China) Co., Ltd., Nanjing, PR China	USD	76,000	100.00	540	
404	ThyssenKrupp Engine Components (India) Private Ltd., Nashik, India	INR	300,000 [1]	100.00	401	99.90%
					521	0.10%
405	ThyssenKrupp Mavilor S.A., L'Horme, France		89,965	100.00	544	
406	ThyssenKrupp Metalúrgica Campo Limpo Ltda., Campo Limpo Paulista, Brazil	BRL	85,000	59.77	551	
407	ThyssenKrupp Metalúrgica de México S.A. de C.V., Puebla, Mexico	MXN	141,800 [1]	100.00	406	
408	ThyssenKrupp Metalúrgica Santa Luzia Ltda., Santa Luzia, Brazil	BRL	58,198	100.00	406	
409	ThyssenKrupp Metalúrgica Servicios S.A. de C.V., Puebla, Mexico	MXN	131 [1]	100.00	407	100.00% [3]
					408	0.00% [3]
	Rothe Erde					
410	PSL Wälzlager GmbH, Dietzenbach		26	100.00	418	
411	Rothe Erde GmbH, Dortmund		12,790	100.00	521	80.00%
					509	20.00%
412	Defontaine Ibérica S.A., Viana, Spain		721	100.00	414	
413	Defontaine (Qingdao) Machinery Co., Ltd., Jiaonan City, Shandong Province, PR China		33,500	100.00	540	
414	Defontaine S.A., Saint Herblain, France		4,603	100.00	544	99.99%
					411	0.01%
415	Defontaine Tunisie S.A., Ben Arous, Tunesia	TND	1,500	50.97	414	
416	Nippon Roballo Company Ltd., Minato-ku/Tokyo, Japan	JPY	740,000	100.00	411	
417	OOO PSL, Moscow, Russia	RUB	100 [1]	100.00	418	99.00%
					410	1.00%
418	PSL a.s., Povazská Bystrica, Slovakia		7,769	100.00	411	
419	PSL of America Inc., Twinsburg/Ohio, USA	USD	1	100.00	418	
420	REX (Xuzhou) Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	39,500 [1]	60.00	540	
421	Roballo Engineering Company Ltd., Peterlee, Great Britain	GBP	1,000	100.00	552	
422	Robrasa Rolamentos Especiais Rothe Erde Ltda., Diadema, Brazil	BRL	10,119	100.00	521	
423	Rotek Incorporated, Aurora/Ohio, USA	USD	100	100.00	550	
424	Rothe Erde - Metallurgica Rossi S.p.A., Visano, Italy		1,612	100.00	546	
425	Rothe Erde Ibérica S.A., Zaragoza, Spain		1,369	100.00	527	
426	Rothe Erde India Private Ltd., Maharashtra, India	INR	1,190,570	100.00	411	100.00% [3]
					424	0.00% [3]
427	Xuzhou Rothe Erde Ring Mill Co., Ltd., Xuzhou, PR China	USD	27,749 [1]	100.00	540	

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
428	Xuzhou Rothe Erde Slewing Bearing Co., Ltd., Xuzhou, PR China	USD	27,300 1)	60.00	540	
	Berco					
429	BERCO Deutschland GmbH, Ennepetal		2,387	100.00	521	
430	Berco Bulgaria EOOD, Apriltsi, Bulgaria	BGN	780	100.00 1)	434	
431	Berco of America Inc., Waukesha/Wisconsin, USA	USD	50	100.00	550	
432	Berco (Shanghai) Undercarriage Technology Co., Ltd., Shanghai, PR China		4,000	100.00	540	
433	Berco (Shanghai) Undercarriage Trading Co.,Ltd., Shanghai, PR China		2,000	100.00	540	
434	Berco S.p.A., Copparo, Italy		38,700	100.00	546	99.95%
					496	0.05%
435	Berco (UK) Ltd., Birmingham, Great Britain	GBP	120	100.00	552	
436	Berco Undercarriages (India) Private Ltd., Andrah Pradesh, India	INR	450,000	100.00	434	99.00%
					429	1.00%
437	BercoSul Ltda., Diadema-São Paulo, Brazil	BRL	14,062	100.00	434	
	Chassis					
438	BMB Steering Innovation GmbH, Schönebeck		512	100.00	447	
439	HF Vermögensverwaltungsgesellschaft im Ruhrtal GmbH, Hagen		2,098	99.95	444	
440	Kraemer & Freund Handel GmbH, Hagen		100	100.00	444	
441	Springs and Stabilizers Holding GmbH, Essen		25	100.00	445	
442	ThyssenKrupp Automotive Systems GmbH, Essen		2,557	100.00	521	
443	ThyssenKrupp Bilstein GmbH, Ennepetal		5,982	99.50	521	94.49%
					496	5.01%
444	ThyssenKrupp Federn GmbH, Hagen		15,595	100.00	443	94.99%
					496	5.01%
445	ThyssenKrupp Federn und Stabilisatoren GmbH, Hagen		25	100.00	521	
446	ThyssenKrupp Presta Esslingen GmbH, Esslingen		50	100.00	442	
447	ThyssenKrupp Presta SteerTec GmbH, Düsseldorf		5,114	100.00	521	94.99%
					496	5.01%
448	ThyssenKrupp Presta SteerTec Mülheim GmbH, Mülheim		26	100.00	447	
449	ThyssenKrupp Presta SteerTec Schönebeck GmbH, Schönebeck		26	100.00	447	
450	Chengdu ThyssenKrupp Fawer Spring Co. Ltd., Chengdu, PR China	CNY	55,000 1)	100.00	461	
451	ThyssenKrupp Automotive Sales & Technical Center, Inc., Troy/Michigan, USA	USD	3	100.00	550	
452	ThyssenKrupp Automotive Systèmes France S.A.R.L., Hambach, France		152	100.00	544	
453	ThyssenKrupp Automotive Systems de México S.A. de C.V., Puebla, Mexico	MXN	50 1)	100.00	442	100.00% 3)
					464	0.00% 3)
454	ThyssenKrupp Automotive Systems of America. LLC, Wilmington/Delaware, USA	USD	1	100.00	550	
455	ThyssenKrupp Bilstein Brasil Molas e Componentes de Suspensão Ltda., São Paulo, Brazil	BRL	76,090	100.00	445	100.00% 3)
					498	0.00% 3)
456	ThyssenKrupp Bilstein Compa S.A., Sibiu, Romania	LEU	3,029	73.09	443	72.82%
					444	0.18%
					381	0.09%
457	ThyssenKrupp Bilstein Ibérica, S.L.U., Alonsotegui, Spain		8,297	100.00	527	
458	ThyssenKrupp Bilstein of America Inc., San Diego/California, USA	USD	945	100.00	550	
459	ThyssenKrupp Bilstein Sasa S.A. de C.V., San Luis Potosi, Mexico	MXN	457,561 1)	100.00	445	100.00% 3)
					498	0.00% 3)
460	ThyssenKrupp Bilstein Woodhead Ltd., Leeds, Great Britain	GBP	7,610	100.00	534	
461	ThyssenKrupp Fawer Liaoyang Spring Co., Ltd., Liaoyang/Liaoning, PR China	USD	21,278 1)	60.00	540	
462	ThyssenKrupp Presta Aktiengesellschaft, Eschen, Liechtenstein	CHF	15,000	100.00	521	
463	ThyssenKrupp Presta Cold Forging LLC, Wilmington/Delaware, USA	USD	5,000	100.00	451	
464	ThyssenKrupp Presta de México S.A. de C.V., Puebla, Mexico	MXN	17,316 1)	100.00	442	50.00%
					467	50.00%
465	ThyssenKrupp Presta do Brasil Ltda., Curitiba, Brazil	BRL	36,944	100.00	467	89.81%
					442	10.19%
466	ThyssenKrupp Presta Fawer (Changchun) Co. Ltd., Changchun, PR China	CNY	52,834 1)	60.00	467	
467	ThyssenKrupp Presta France S.A.S., Florange, France		23,660	100.00	544	

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Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
468	ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd., Shanghai, PR China	CNY	100,562 [1]	60.00	467	
469	ThyssenKrupp Presta Hungary Kft., Budapest, Hungary	HUF	632,770	100.00	446	
470	ThyssenKrupp Presta Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	521	
471	ThyssenKrupp Presta Servicios de México S.A. de C.V., Puebla, Mexico	MXN	50 [1]	100.00	442	50.00%
					467	50.00%
472	ThyssenKrupp Presta Shanghai Co. Ltd., Shanghai, PR China		11,000 [1]	100.00	540	
473	ThyssenKrupp Presta SteerTec Poland Sp.z o.o., Meseritz, Poland	PLN	3,664	100.00	447	
474	ThyssenKrupp Presta USA, LLC, Terre Haute/Indiana, USA	USD	4,000	100.00	451	
475	ThyssenKrupp Sasa Servicios, S.A.de C.V., San Luis Potosi, Mexico	MXN	50 [1]	100.00	459	
	Other companies Components Technology					
476	ThyssenKrupp Technologies Japan Co., Ltd., Tokyo, Japan	JPY	10,000	100.00	521	
	Marine Systems					
	Naval					
477	Blohm + Voss Marine Systems GmbH, Hamburg		25	100.00	493	
478	Blohm + Voss Naval GmbH, Hamburg		50	100.00	493	
479	Emder Werft und Dockbetriebe GmbH, Emden		3,800	100.00	493	
480	HDW/MFI Business Partnership, Kiel		0	100.00	482	95.00%
					489	5.00%
481	Hörn-Beteiligungs-GmbH, Kiel		26	100.00	482	
482	Howaldtswerke-Deutsche Werft GmbH, Kiel		30,000	100.00	493	
483	IKL Ingenieurkontor Lübeck GmbH, Kiel		26	100.00	482	
484	Innovative Meerestechnik GmbH, Emden		1,023	100.00	479	
485	Schiffahrtskontor "MARITIM" GmbH, Kiel		26	100.00	482	
486	Blohm+Voss El Djazair S.a.r.l., Algier, Algeria	DZD	10,000	100.00	492	
487	Greek Naval Shipyards Holding S.A., Skaramanga, Greece		66,265	100.00	481	
488	Kockums AB, Malmö, Sweden	SEK	50,000	100.00	493	
489	MarineForce International LLP, London, Great Britain	GBP	693	100.00	482	99.50%
					521	0.50%
490	ThyssenKrupp Marin Sistem Gemi Sanayi ve Ticaret A.S., Istanbul, Turkey	TRY	200 [1]	60.00	493	
491	ThyssenKrupp Marine Systems Canada Inc., Ottawa/Ontario , Canada	CAD	100	100.00	493	
492	ThyssenKrupp Marine Systems (Singapore) Pte. Ltd., Singapore, Singapore	SGD	38,512	100.00	493	
	Other comapnies Marine Systems					
493	ThyssenKrupp Marine Systems AG, Hamburg		34,087	100.00	521	
494	Blohm + Voss Shipyards & Services GmbH, Hamburg		25	100.00	493	
495	SVG Steinwerder Verwaltungsgesellschaft mbH, Hamburg		30	100.00	493	
	Corporate					
	Corporate Headquarters					
496	ThyssenKrupp AG, Duisburg und Essen		1,317,092	[4]		
497	Banter See Vermögensverwaltung GmbH, Düsseldorf		486	100.00	514	
498	Brüninghaus Schmiede GmbH, Grünwald		511	100.00	521	
499	Buckau-Walther GmbH, Grünwald		9,216	100.00	521	
500	Bucketwheel Engineering GmbH, Essen		26	100.00	499	
501	CCI Crane Cooperation International Handelsgesellschaft mbH, Essen		1,534	100.00	496	
502	GLH GmbH, Essen	DEM	30,000	100.00	526	
503	Hoesch AG, Düsseldorf		50	100.00	496	
504	Konsortium für Kurssicherung GbR, Düsseldorf		86,439	95.12	1	34.45%
					573	33.41%
					521	11.33%
					496	6.83%
					50	6.62%
					168	2.47%
505	Krupp Industrietechnik Gesellschaft mit beschränkter Haftung, Grünwald		51,129	100.00	509	94.90%
					496	5.10%

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Fully consolidated group companies (as of September 30, 2012)

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506	Krupp Informatik Gesellschaft mit beschränkter Haftung, Düsseldorf		51	100.00	499	
507	MONTAN GmbH Assekuranz-Makler, Düsseldorf		184	53.81	519	
508	Reisebüro Dr. Tigges GmbH, Essen		300	100.00	50	
509	Thyssen Stahl GmbH, Düsseldorf		935,147	100.00	496	82.64%
					557	17.36%
510	ThyssenKrupp Academy GmbH, Düsseldorf		25	100.00	496	
511	ThyssenKrupp AdMin GmbH, Düsseldorf		25	100.00	514	
512	ThyssenKrupp Carbon Components GmbH, Wilsdruff		50	50.80	442	
513	ThyssenKrupp DeliCate GmbH, Düsseldorf		26	100.00	514	
514	ThyssenKrupp Dienstleistungen GmbH, Düsseldorf		15,500	100.00	496	
515	ThyssenKrupp Erste Beteiligungsgesellschaft mbH, Düsseldorf		25	100.00	509	
516	ThyssenKrupp Investment Kanada GmbH, Essen		25	100.00	539	
517	ThyssenKrupp Management Consulting GmbH, Düsseldorf		25	100.00	514	
518	ThyssenKrupp Reinsurance AG, Essen		3,000	100.00	519	
519	ThyssenKrupp Risk and Insurance Services GmbH, Essen		3,000	100.00	496	
520	ThyssenKrupp Stainless Zweite Beteiligungen AG, Essen		100	100.00	496	
521	ThyssenKrupp Technologies Beteiligungen GmbH, Essen		130,000	100.00	496	
522	Vermögensverwaltungsgesellschaft EZM mbH, Grünwald		25,941	100.00	557	84.03%
					509	15.97%
523	Vermögensverwaltungsgesellschaft KSH mbH, Grünwald		5,113	100.00	496	
524	Vermögensverwaltungsgesellschaft TKW mbH, Grünwald		512	100.00	514	
525	Budcan Holdings Inc., Kitchener/Ontario, Canada	CAD	0	100.00	539	
526	GLH, LLC, Fond du Lac/Wisconsin, USA	USD	108,993	100.00	550	
527	Grupo ThyssenKrupp S.L., Madrid, Spain		16,156	100.00	548	
528	Kitchener Frame Limited, Toronto/Ontario, Canada	CAD	0	100.00	260	
529	Krupp Camford Pressings Ltd., Newton Aycliffe, Great Britain	GBP	24,594	100.00	534	
530	QDF Components Ltd., Newton Aycliffe, Great Britain	GBP	19,680	100.00	534	
531	ThyssenKrupp Austria Beteiligungs GmbH, Vienna, Austria		35	100.00	533	
532	ThyssenKrupp Austria GmbH, Vienna, Austria		35	100.00	496	
533	ThyssenKrupp Austria GmbH & Co. KG, Vienna, Austria		35	100.00	496	
534	ThyssenKrupp Automotive (UK) Ltd., Newton Aycliffe, Great Britain	GBP	13,519	100.00	552	
535	ThyssenKrupp Body Stampings Ltd., Newton Aycliffe, Great Britain	GBP	132	100.00	534	
536	ThyssenKrupp Budd Company, Troy/Michigan, USA	USD	1	100.00	550	
537	ThyssenKrupp Camford Engineering PLC, Newton Aycliffe, Great Britain	GBP	5,207	100.00	534	
538	ThyssenKrupp Camford Ltd., Newton Aycliffe, Great Britain	GBP	25	100.00	534	
539	ThyssenKrupp Canada, Inc., Calgary/Alberta, Canada	CAD	1,000	100.00	496	
540	ThyssenKrupp (China) Ltd., Beijing, PR China	USD	200,000	100.00	496	
541	ThyssenKrupp Finance Canada, Inc., Calgary/Alberta, Canada	CAD	1	100.00	496	
542	ThyssenKrupp Finance Nederland B.V., Krimpen aan den Ijssel, Netherlands		2,300	100.00	496	
543	ThyssenKrupp Finance USA, Inc., Wilmington/Delaware, USA	USD	1	100.00	550	
544	ThyssenKrupp France S.A.S., Rueil-Malmaison, France		116,149	100.00	496	
545	ThyssenKrupp Intermediate U.K. Ltd., Newton Aycliffe, Great Britain	GBP	28,145	100.00	552	
546	ThyssenKrupp Italia S.r.l., Rome, Italy		20,000	100.00	496	
547	ThyssenKrupp Knowsley Ltd., Dundee, Great Britain	GBP	25,610	100.00	521	
548	ThyssenKrupp Nederland Holding B.V., Roermond, Netherlands		10,200	100.00	496	
549	ThyssenKrupp Nederland Intermediate B.V., Roermond, Netherlands		10,000	100.00	548	
550	ThyssenKrupp North America, Inc., Troy/Michigan, USA	USD	247,989	100.00	496	
551	ThyssenKrupp Participations B.V., Veghel, Netherlands		100	100.00	548	
552	ThyssenKrupp UK Plc., Newton Aycliffe, Great Britain	GBP	76,145	100.00	496	100.00%[3]
					509	0.00%[3]
	Business Services					
553	ThyssenKrupp Business Services GmbH, Essen		25	100.00	496	

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	IT Services					
554	ThyssenKrupp IT Services GmbH, Essen		25	100.00	521	
	Real Estate					
555	Dorea Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Wiesbaden		5 [1]	94.00 [2]	496	
556	Hellweg Liegenschaften GmbH, Bochum		50	94.00	557	
557	Krupp Hoesch Stahl GmbH, Dortmund		181,510	100.00	548	94.90%
					496	5.10%
558	Stahlhauser Liegenschaften Verwaltungsgesellschaft mbH, Essen		25	94.00	568	88.00%
					496	6.00%
559	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Industrie, Essen		692	100.00	521	94.90%
					568	5.10%
560	Thyssen Liegenschaften Verwaltungs- und Verwertungs GmbH & Co. KG Stahl, Essen		511	100.00	509	94.90%
					568	5.10%
561	ThyssenKrupp Grundbesitz Verwaltungs GmbH, Essen		25	100.00	496	
562	ThyssenKrupp Grundbesitz-Vermietungs GmbH & Co. KG, Essen		1,000	100.00	496	
563	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Krupp Hoesch Stahl, Essen		1,000	100.00	557	
564	ThyssenKrupp Immobilien Verwaltungs GmbH & Co. KG Stahl, Essen		1,000	100.00	560	
565	ThyssenKrupp Immobilienentwicklungs Concordiahütte GmbH, Oberhausen		25	100.00	521	94.80%
					496	5.20%
566	ThyssenKrupp Immobilienentwicklungs Krefeld GmbH, Oberhausen		25	100.00	509	
567	ThyssenKrupp Liegenschaften Umformtechnik Verwaltungs GmbH, Essen		25	100.00	521	94.80%
					496	5.20%
568	ThyssenKrupp Real Estate GmbH, Essen		15,441	100.00	496	
569	ThyssenKrupp Stahl Immobilien GmbH, Duisburg		50	100.00	568	94.90%
					496	5.10%
570	Rhenus Immobilien Gesellschaft m.b.H., Vienna, Austria		70	100.00	531	
571	Thyssen Financial Services B.V., 's-Gravendeel, Netherlands		18	100.00	124	
572	ThyssenKrupp Real Estate France S.A.S., Rueil-Malmaison, France		100	100.00	544	
	Inoxum					
	Corporate Stainless					
573	ThyssenKrupp Nirosta GmbH, Krefeld		110,000	100.00	496	
574	Inoxum GmbH, Essen		25	100.00	496	
575	Inoxum Holding USA, Inc., Wilmington/Delaware, USA	USD	1 [1]	100.00	574	
576	Inoxum Italia S.p.A., Terni, Italy		200,000	100.00	574	
577	Inoxum Nederland B.V., Roermond, Netherlands		13,613	100.00	574	
	Stainless Steel					
578	ThyssenKrupp Nirosta Präzisionsband GmbH, Krefeld		1,000	100.00	573	
579	ThyssenKrupp Stainless International GmbH, Krefeld		26	100.00	573	
580	Aspasiel S.r.l., Terni, Italy		260	100.00	586	
581	Mexinox Trading S.A. de C.V., Mexico D.F., Mexico	MXN	100,600 [1]	100.00	589	100.00% [3]
					582	0.00% [3]
582	Mexinox USA Inc., Brownsville/Texas, USA	USD	2,000	100.00	589	
583	Shanghai Krupp Stainless Co., Ltd., Pudong New Area / Shanghai, PR China	USD	428,900 [1]	60.00	573	
584	Società delle Fucine S.r.l., Terni, Italy		7,988	100.00	586	
585	Terninox S.p.A., Terni, Italy		20,800	100.00	586	
586	ThyssenKrupp Acciai Speciali Terni S.p.A., Terni, Italy		159,682	100.00	576	
587	ThyssenKrupp Fortinox S.A., Buenos Aires, Argentina	ARS	2,100	80.00	577	
588	ThyssenKrupp Mexinox CreateIT, S.A. de C.V., San Luis Potosi, Mexico	MXN	50 [1]	100.00	589	99.98%
					581	0.02%
589	ThyssenKrupp Mexinox Participations, S.A. de C.V., San Luis Potosi, Mexico	MXN	542,830 [1]	100.00	577	100.00% [3]
					601	0.00% [3]

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Fully consolidated group companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
590	ThyssenKrupp Mexinox S.A. de C.V., San Luis Potosi, Mexico	MXN	377,170[1]	100.00	577	100.00%[3]
					601	0.00%[3]
591	ThyssenKrupp SILCO-INOX Szervizközpont Kft, Batonyterenye, Hungary	HUF	765,980	100.00	592	
592	ThyssenKrupp Stainless Benelux B.V., Rotterdam, Netherlands		18,151	100.00	577	
593	ThyssenKrupp Stainless DVP, S.A., Barcelona, Spain		5,344	100.00	577	
594	ThyssenKrupp Stainless France S.A.S., Paris, France		8,005	100.00	577	
595	ThyssenKrupp Stainless (GZ) Trading Company Ltd., Guangzhou, PR China	USD	75	100.00	592	
596	ThyssenKrupp Stainless International (Guangzhou) Ltd., Guangzhou, PR China	USD	9,500	100.00	592	
597	ThyssenKrupp Stainless International (HK) Ltd., Hongkong, PR China	HKD	8,315[1]	100.00	579	
598	ThyssenKrupp Stainless Istanbul Çelik Servis Merkezi A.S., Istanbul, Turkey		1,049	100.00	592	
599	ThyssenKrupp Stainless Polska Sp.z o o., Dabrowa Gornicza, Poland	PLN	34,312	100.00	579	
600	ThyssenKrupp Stainless UK Ltd., Birmingham, Great Britain	GBP	100	100.00	577	
601	ThyssenKrupp Stainless USA, LLC, Wilmington/Delaware, USA	USD	1,000	100.00	575	
602	Tubificio di Terni S.p.A., Terni, Italy		5,944	97.00	586	
	High Performance Alloys					
603	ThyssenKrupp VDM GmbH, Werdohl		32,000	100.00	573	
604	ThyssenKrupp VDM Australia Pty. Ltd., Mulgrave/Victoria, Australia	AUD	2,000	100.00	603	
605	ThyssenKrupp VDM Austria GmbH, Vienna, Austria		50	100.00	577	
606	ThyssenKrupp VDM Benelux B.V., Dordrecht, Netherlands		51	100.00	577	
607	ThyssenKrupp VDM Canada Ltd., Markham/Ontario, Canada	CAD	300	100.00	603	
608	ThyssenKrupp VDM de Mexico S.A. de C.V., Naucalpan de Juarez, Mexico	MXN	550[1]	100.00	603	
609	ThyssenKrupp VDM (GZ) Trading Co., Ltd., Guangzhou, PR China		470	100.00	592	
610	ThyssenKrupp VDM High Performance Metals Trading Co., Ltd., Shanghai, PR China	USD	300	100.00	592	
611	ThyssenKrupp VDM Hongkong Ltd., Hongkong, PR China	HKD	10[1]	99.98	603	
612	ThyssenKrupp VDM Italia S.r.l., Sesto San Giovanni, Italy		10	100.00	576	
613	ThyssenKrupp VDM Japan K.K., Tokyo, Japan	JPY	30,000	100.00	603	
614	ThyssenKrupp VDM Korea Co. Ltd., Bundang-gu, Sungnam-Si, Kyunggi-Do, South Korea	KRW	100,000	100.00	603	
615	ThyssenKrupp VDM S.A.S., Rueil-Malmaison, France		120	100.00	594	
616	ThyssenKrupp VDM (Schweiz) AG, Basel, Switzerland	CHF	100	100.00	603	
617	ThyssenKrupp VDM UK Ltd., Claygate-Esher, Great Britain	GBP	60	100.00	603	
618	ThyssenKrupp VDM USA, LLC., Reno/Nevada, USA	USD	600	100.00	601	

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Non consolidated companies (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	Materials Services					
	MetalsServices					
619	OST-PLUS s.r.o., Teplice, Czech Republic	CZK	1,000 1)	90.00	52	
620	ThyssenKrupp HiServ s.r.o., Kosice, Slovakia		7 1)	100.00	50	
	SpecialServices					
621	DvB Aufbereitungs-GmbH zur Behandlung von Metallprodukten, Oberhausen		102 1)	100.00	126	
	Elevator Technology					
	Southern Europe/Africa/Middle East (SEAME)					
622	ThyssenKrupp Elevator (Management) Ltd., Rishon Le'zion, Israel	ILS		100.00	169	50.00%
			39		241	50.00%
	Plant Technology					
	Uhde					
623	Edeleanu SDN. BHD., Kuala Lumpur, Malaysia	MYR	1,000	100.00	319	
624	Uhde do Brasil Ltda., São Paulo, Brazil	BRL	798	100.00	319	
625	Uhde Edeleanu s.r.o., Brno, Czech Republic	CZK	1,000 1)	100.00	319	
626	Uhde Inventa-Fischer Chemical Fiber Equipment (Shanghai) Ltd., Shanghai, PR China	USD	200 1)	100.00	540	
	Polysius					
627	Polysius-Hilfe GmbH, Münster	DEM	50	100.00	344	
628	Maerz Ofenbau SRL, Timisoara, Romania	RON	204 1)	100.00	347	
	System Engineering					
629	ThyssenKrupp System Engineering S.r.l., Turin, Italy		120	100.00	546	98.00%
					381	2.00%
	Components Technology					
	Rothe Erde					
630	Roballo France S.A.R.L., Rueil-Malmaison, France		180	100.00	544	
	Other companies Components Technology					
631	ThyssenKrupp Automotive Italia S.r.l., Turin, Italy		99	100.00	521	99.00%
					462	1.00%
	Marine Systems					
	Naval					
632	Kockums Submarine Systems AG, Malmö, Sweden	SEK	100	100.00	488	
633	Maritime Services Consultant Enterprise Sdn.Bhd., Petaling Jaya, Malaysia	MYR	300	100.00	494	
634	ThyssenKrupp Marine Systems Australia Pty Ltd, Canberra/Australian Capital Territory, Australia	AUD	2,851	100.00	478	
	Other companies Marine Systems					
635	ThyssenKrupp Technologies HELLAS Marketing Services S.A., Athens, Greece		60	100.00	521	99.98%
					493	0.02%
	Inoxum					
	High Performance Alloys					
636	VDM-Unterstützungskasse GmbH, Werdohl		26	100.00	603	

1) fiscal year not 09/30 2) in accordance with IFRS regulations 3) splinter investment as of fourth digits behind decimal point 4) parent company

Equity-stated companies (*=Joint Venture / as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by No.
	Steel Europe				
	ThyssenKrupp Steel Europe				
637	Hüttenwerke Krupp Mannesmann GmbH, Duisburg*		103,000 1)	50.00	1
638	ANSC-TKS Galvanizing Co., Ltd., Dalian, Liaoning Province, PR China*	CNY	1,065,806 1)	50.00	1
	Processing				
639	Kreislaufsystem Blechverpackungen Stahl GmbH (KBS), Düsseldorf		385 1)	40.00	13
640	TKAS (Changchun) Steel Service Center Ltd., Changchun, PR China*	USD	12,000 1)	50.00	540
	Other Companies Steel Europe				
641	Walzen-Service-Center GmbH, Oberhausen*		1,023	50.00	1
642	Acciai di Qualità, Centro Lavorazione Lamiere S.p.A., Genova, Italy		1,731 1)	24.90	546
643	RKE N.V., Antwerpen, Belgium		645 1)	38.54	1
644	Transport- en Handelmaatschappij `Steenkolen Utrecht` B.V., Rotterdam, Netherlands*		8,204 1)	50.00	43
	Materials Services				
	MetalsServices				
645	Aceros de America Inc., San Juan, Puerto Rico*	USD	1,000	50.00	58
646	Ferona Thyssen Plastics, s.r.o., Velká Bystrîce, Olomouc, Czech Republic*	CZK	16,000 1)	50.00	50
647	Leong Jin Corporation Pte. Ltd., Singapore, Singapore	SGD	20,000 1)	30.00	50
648	Polarputki Oy, Helsinki, Finland*		1,009 1)	50.00	50
649	Thyssen Ros Casares S.A., Valencia, Spain*		5,000	50.00	67
	SpecialServices				
650	Brouwer Shipping & Chartering GmbH, Hamburg		100 1)	30.00	125
651	TGHM GmbH & Co. KG, Dortmund*		511 1)	50.00	496
652	BCCW (Tangshan) Jiahua Coking & Chemical Co., Ltd., Tangshan, PR China	CNY	1,130,000 1)	25.00	125
653	MRT Track & Services Co., Inc., Bloomfield/New Jersey, USA*	USD	100	50.00	123
	Elevator Technology				
	Americas (AMS)				
654	Braun ThyssenKrupp Elevator LLC, Madison/Wisconsin, USA*	USD	1,000 1)	50.00	262
	Asia/Pacific (AP)				
655	Eros Elevators & Escalators Pvt. Ltd., Mumbai, India*	INR	100 1)	25.10	275
656	Marohn Elevator Co. Ltd., Changshu City, Jiangsu Province, PR China*	CNY	100,000 1)	25.00	540
	Plant Technology				
	Uhde				
657	KEPCO-Uhde Inc., Seoul, South Korea *	KRW	17,205,000	34.00	319
658	Uhdenora S.p.A., Milan, Italy*		3,600	50.00	319
	Polysius				
659	Vecoplan FuelTrack GmbH, Bad Marienberg*		50	51.00	344
	System Engineering				
660	HFS Hotforming Solutions GmbH, Schwalbach*		200	50.00	381
	Components Technology				
	Forging-Group				
661	Huizhou Sumikin Forging Company Ltd., Huizhou, PR China	USD	29,680 1)	34.00	540

1) fiscal year not 09/30 2) in accordance with IFRS regulations 3) splinter investment as of fourth digits behind decimal point 4) parent company

Equity-stated companies (*=Joint Venture / as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by No.
	Marine Systems				
	Naval				
662	Atlas Elektronik GmbH, Bremen*		31,240 [1]	51.00	521
663	MARLOG Marine Logistik GmbH & Co. KG, Kiel*		1,500 [1]	50.00	482
664	Fortis Marine Solutions Pte. Ltd., Singapore, Singapore*	SGD	1,000 [1]	49.00	488
	Corporate				
	Real Estate				
665	COMUNITHY Immobilien GmbH, Düsseldorf		100 [1]	49.00	568
	Inoxum				
	Stainless Steel				
666	Euroacciai S.r.l., Sarezzo (BS), Italy		1,500 [1]	30.25	586
667	Fischer Mexicana S.A. de C.V., San Luis Potosi, Mexico*	MXN	108,544 [1]	50.00	589
668	Ilserv S.r.l., Terni, Italy		1,924 [1]	35.00	586
669	Terni Frantumati S.p.A., Terni, Italy		930 [1]	21.00	586

[1] fiscal year not 09/30 [2] in accordance with IFRS regulations [3] splinter investment as of fourth digits behind decimal point [4] parent company

Other associated affiliates (*=Joint Venture / as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	Steel Europe					
	ThyssenKrupp Steel Europe					
670	JEVISE Corporation, Tokyo, Japan*	JPY	10,000 1)	50.00	1	
	Materials Services					
	MetalsServices					
671	Indo German International Private Ltd., New Delhi, India	INR	38,975 1)	50.00	62	
672	Sidecontrol S.L., Gandia, Spain		36 1)	50.00	73	
	SpecialServices					
673	SIB Schell Industrieanlagen-Bau GmbH, Duisburg		102	50.00	126	
674	Solid Slab Track GmbH, Görschen		100	49.00	123	
675	TGHM Verwaltungsgesellschaft mbH, Dortmund	DEM	50 1)	50.00	496	
	Plant Technology					
	Transrapid					
676	Transrapid International Verwaltungsgesellschaft mbH, i. L., Berlin		80	50.00	393	
	Marine Systems					
	Naval					
677	Marlog Verwaltungsgesellschaft mbH, Kiel		25 1)	50.00	482	
678	MTG Marinetechnik GmbH, Hamburg		3,068 1)	49.00	478	20.00%
					482	19.00%
					662	10.00%
	Other companies Marine Systems					
679	LISNAVE-ESTALEIROS NAVAIS S.A., Lisboa, Portugal		5,000 1)	20.00	493	
	Corporate					
	Corporate Headquarters					
680	Grundstücksgesellschaft Schlossplatz 1 mbH & Co.KG, Berlin		21,250 1)	20.00	496	
	Real Estate					
681	Gewerkschaft Hermann V GmbH, Essen		26	33.33	557	
682	NORA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gelsenkirchen KG, Düsseldorf		10 1)	94.76	559	
	Inoxum					
	High Performance Alloys					
683	MOL Katalysatortechnik GmbH, Merseburg		77 1)	20.46	603	

1) fiscal year not 09/30 2) in accordance with IFRS regulations 3) splinter investment as of fourth digits behind decimal point 4) parent company

Other shareholdings (as of September 30, 2012)

No.	Name and domicile of company	Foreign currency	Capital stock in €1,000 or domestic currency	Shareholdings in %	Held by	No.
	Corporate					
	Real Estate					
684	VBW Bauen und Wohnen GmbH, Bochum		12,858	13.06	557	
	Equity		79,938			
	Result		6,178			

1) fiscal year not 09/30 2) in accordance with IFRS regulations 3) splinter investment as of fourth digits behind decimal point 4) parent company

Independent Auditors' Report

To the ThyssenKrupp AG

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ThyssenKrupp AG and its subsidiaries, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and notes to the consolidated financial statements for the business year from October 1, 2011 to September 30, 2012.

Management's Responsibility for the Consolidated Financial Statements

The management of ThyssenKrupp AG is responsible for the preparation of these consolidated financial statements. This responsibility includes preparing these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and the supplementary requirements of German law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch: German Commercial Code], to give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The company's management is also responsible for the internal controls that management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) as well as in supplementary compliance with International Standards on Auditing (ISA). Accordingly, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of audit procedures depends on the auditor's professional judgment. This includes the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In assessing those risks, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements that give a true and fair view. The aim of this is to plan and perform audit procedures that are appropriate in the given circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

Pursuant to § 322 Abs. 3 Satz 1 HGB, we state that our audit of the consolidated financial statements has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply in all material respects with IFRSs as adopted by the EU and the supplementary requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets and financial position of the Group as at September 30, 2012 as well as the results of operations for the business year then ended, in accordance with these requirements.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 5 to the financial statements and to the Group Management Report section "Summarized assessment by the Executive Board on the state of the Group". The note and the section explicate that the valuation of assets and liabilities of the Business Area Steel Americas is based on assumptions and that the valuation overall represents a best possible estimate. If the assumptions need to be adjusted to future events or future information, value changes cannot be excluded. Our audit opinion is not qualified with respect to this matter.

Report on the Group Management Report

We have audited the accompanying group management report of ThyssenKrupp AG for the business year from October 1, 2011 to September 30, 2012. The management of ThyssenKrupp AG is responsible for the preparation of the group management report in compliance with the applicable requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch: German Commercial Code]. We are required to conduct our audit in accordance with § 317 Abs. 2 HGB and German generally accepted standards for the audit of the group management report promulgated by the Institut der

Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Accordingly, we are required to plan and perform the audit of the group management report to obtain reasonable assurance about whether the group management report is consistent with the consolidated financial statements and the audit findings, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we state that our audit of the group management report has not led to any reservations.

In our opinion, based on the findings of our audit of the consolidated financial statements and group management report, the group management report is consistent with the consolidated financial statements, and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, December 10, 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Klaus Becker	Michael Gewehr
Wirtschaftsprüfer	Wirtschaftsprüfer
(German public auditor)	(German public auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Essen, December 10, 2012

ThyssenKrupp AG
The Executive Board

Hiesinger

Berlien Claassen Eichler Kerkhoff Labonte

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ADDITIONAL INFORMATION

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4
ADDITIONAL INFORMATION

How have ThyssenKrupp's key figures developed over the past few years, when are the next important financial dates, what other directorships are held by members of the Executive Board and Supervisory Board? All this information is provided on the following pages. There are also aids to help you find your way around this report.

THYSSENKRUPP GROUP

		Group Total							Continuing Operations			
							Year ended Sept. 30, 2011 vs. Year ended Sept. 30, 2012				Year ended Sept. 30, 2011 vs. Year ended Sept. 30, 2012	
		Year ended Sept. 30, 2008	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Change	Change in %	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Change	Change in %
Results of operations												
Net sales	million €	53,426	40,563	42,621	49,092	47,045	(2,047)	(4)	42,725	40,124	(2,601)	(6)
Gross profit	million €	9,156	3,658	6,362	5,109	5,246	137	3	7,348	5,780	(1,568)	(21)
EBITDA	million €	4,976	192	2,769	3,385	1,544	(1,841)	(54)	4,026	2,425	(1,601)	(40)
EBIT [1]	million €	3,572	(1,663)	1,346	(988)	(4,370)	(3,382)	--	2,886	976	(1,910)	(66)
EBT[1]	million €	3,128	(2,364)	1,135	(1,578)	(5,067)	(3,489)	--	2,294	315	(1,979)	(86)
Net income/(loss)	million €	2,276	(1,873)	927	(1,783)	(5,042)	(3,259)	--				
Earnings per share (EPS)	€	4.59	(4.01)	1.77	(2.71)	(9.07)	(6.36)	--	3.57	(0.38)	(3.95)	—
Gross margin	%	17.1	9.0	14.9	10.4	11.2	0.8	—				
EBITDA margin	%	9.3	0.5	6.5	6.9	3.3	(3.6)	—	9.4	6.0	(3.4)	—
EBIT margin	%	6.7	(4.1)	3.2	(2.0)	(9.3)	(7.3)	—	6.8	2.4	(4.4)	—
EBT margin	%	5.9	(5.8)	2.7	(3.2)	(10.8)	(7.6)	—	5.4	0.8	(4.6)	—
Return on equity (before taxes)	%	27.2	(24.4)	10.9	(15.2)	(112.0)	(96.8)	—				
Personnel expense per employee	€	49,212	50,120	49,605	53,582	58,582	5,000	9				
Sales per employee	€	272,824	210,587	241,017	291,818	303,426	11,608	4				
Assets/liabilities situation												
Non-current assets	million €	18,308	20,725	22,953	21,548	18,301	(3,247)	(15)				
Current assets	million €	23,334	20,642	20,759	22,055	19,983	(2,072)	(9)				
Total assets	million €	41,642	41,367	43,712	43,603	38,284	(5,319)	(12)				
Total equity	million €	11,489	9,696	10,388	10,382	4,526	(5,856)	(56)				
Liabilities	million €	30,153	31,671	33,324	33,221	33,758	537	2				
Accrued pension and similar obligations	million €	6,550	7,537	8,211	7,297	8,086	789	11				
Financial debt non-current	million €	3,068	7,160	6,163	6,555	5,972	(583)	(9)				
Financial debt current	million €	1,348	444	1,298	596	2,181	1,585	266				
Financial debt non-current/current	million €	4,416	7,604	7,461	7,151	8,153	1,002	14				
Trade accounts payable	million €	5,731	4,185	5,471	6,259	5,234	(1,025)	(16)				
Equity ratio	%	27.6	23.4	23.8	23.8	11.8	(12.0)	—				
Gearing	%	13.8	21.2	36.4	34.5	128.1	93.6	—				
Inventory turnover	days	64.0	60.0	70.3	73.7	69.9	(3.8)	(5)				
Average collection period	days	53.1	46.8	49.7	43.8	46.5	2.7	6				

[1] Prior-year figures have been adjusted.
[2] Cash flows for investments before cash and cash equivalents acquired from acquisitions of consolidated companies

THYSSENKRUPP GROUP

		Group Total							Continuing Operations			
							Year ended Sept. 30, 2011 vs. Year ended Sept. 30, 2012				Year ended Sept. 30, 2011 vs. Year ended Sept. 30, 2012	
		Year ended Sept. 30, 2008	Year ended Sept. 30, 2009	Year ended Sept. 30, 2010	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Change	Change in %	Year ended Sept. 30, 2011	Year ended Sept. 30, 2012	Change	Change in %
Value management												
Capital employed (average)	million €	19,478	20,662	20,767	23,223	21,488	(1,735)	(7)				
ROCE	%	18.3	(8.1)	6.5	(4.3)	(20.3)	(16)	—				
Weighted average cost of capital (WACC)	%	8.5	8.5	8.5	8.5	8.5	—	—				
Cash flows/investments												
Operating cash flows	million €	3,679	3,699	868	776	(386)	(1,162)	--	2,261	68	(2,193)	(97)
Cash flows from disposals	million €	329	199	553	424	854	430	101	343	852	509	148
Cash flows for investments [1]	million €	(4,227)	(4,077)	(3,512)	(2,771)	(2,204)	567	20	(1,136)	(1,285)	(149)	(13)
Free cash flow [1]	million €	(219)	(179)	(2,091)	(1,571)	(1,736)	(165)	(11)	1,468	(365)	(1,833)	--
Cash flows from financing activities [1]	million €	(705)	2,824	256	1,527	498	(1,029)	(67)	(1,501)	(758)	743	50
Investments [1] [2]	million €	4,282	4,079	3,515	2,771	2,204	(567)	(20)	1,136	1,285	149	13
Cash and cash equivalents [1]	million €	2,832	5,545	3,681	3,573	2,353	(1,220)	(34)				
Net financial debt/(assets)	million €	1,584	2,059	3,780	3,578	5,800	2,222	62				
Internal financing capability		0.9	1.0	0.3	0.3	(0.3)	(0.6)	--				
Debt to cash flow ratio		0.4	0.6	4.4	4.6	(15.0)	(19.6)	--				
ThyssenKrupp AG												
Net income/(loss)	million €	1,175.0	(882.0)	800.0	494.0	(3,184.0)	(3,678.0)	--				
Dividend payout	million €	603.0	139.0	209.0	232.0	— [3]	—	—				
Dividend per share	€	1.30	0.30	0.45	0.45	— [3]	—	—				

[1] Prior-year figures have been adjusted.
[2] Cash flows for investments before cash and cash equivalents acquired from acquisitions of consolidated companies
[3] Proposal to the Annual General Meeting

Other directorships held by Executive Board members

Dr.-Ing. Heinrich Hiesinger
Chairman
Within the Group:
- ThyssenKrupp Elevator AG (Chair)
- ThyssenKrupp Steel Europe AG (Chair)

Dr. Olaf Berlien
Within the Group:
- ThyssenKrupp Marine Systems AG (Chair)
– ThyssenKrupp (China) Ltd./PR China (Chairman)
– ThyssenKrupp Elevator Americas Corp./USA (Chairman)

Dr. Jürgen Claassen
Within the Group:
- ThyssenKrupp Gerlach GmbH
- ThyssenKrupp Materials International GmbH
- ThyssenKrupp Nirosta GmbH
- ThyssenKrupp Steel Europe AG
– ThyssenKrupp (China) Ltd./PR China

Edwin Eichler
- Heidelberger Druckmaschinen AG *
- Hüttenwerke Krupp Mannesmann GmbH (2nd Vice Chair)
- SGL Carbon SE *
– ANSC-TKS Galvanizing Co., Ltd./PR China (Chairman)

Within the Group:
- ThyssenKrupp Materials International GmbH (Chair)
- ThyssenKrupp Nirosta GmbH (Chair)
– ThyssenKrupp Steel Americas, LLC/USA (Chairman)

Guido Kerkhoff
Within the Group:
- ThyssenKrupp Elevator AG
- ThyssenKrupp Nirosta GmbH
- ThyssenKrupp Reinsurance AG (Chair)

Ralph Labonte
– PEAG Holding GmbH (Chair)

Within the Group:
- Rothe Erde GmbH
- ThyssenKrupp Bilstein GmbH
- ThyssenKrupp Elevator AG
- ThyssenKrupp Marine Systems AG
- ThyssenKrupp Materials International GmbH
- ThyssenKrupp Polysius AG (Vice Chair)
- ThyssenKrupp Steel Europe AG
- ThyssenKrupp Uhde GmbH (Vice Chair)
– ThyssenKrupp System Engineering GmbH

• Membership of supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)
* Exchange-listed or comparable company
- Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)

Other directorships held by Supervisory Board members

Prof. Dr. h.c. mult. Berthold Beitz, Essen
Honorary Chairman,
Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation
——

Prof. Dr. Günter Vogelsang, Düsseldorf
Honorary Chairman
——

Dr. Gerhard Cromme, Essen
Chairman,
former Chairman of the Executive Board of ThyssenKrupp AG
- • Axel Springer AG
- • Siemens AG (Chair)
- – Compagnie de Saint-Gobain/France

Bertin Eichler, Frankfurt/Main
Vice Chairman,
Member of the Executive Committee of the German Metalworkers' Union (IG Metall)
- • BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH (Chair)
- • BMW AG

Martin Dreher, Heilbronn
(since August 10, 2012)
Retail clerk,
Chairman of the Works Council of ThyssenKrupp System Engineering GmbH,
Chairman of the Works Council Union Plant Technology
Within the Group:
- • ThyssenKrupp System Engineering GmbH

Markus Grolms, Frankfurt/Main
IG Metall trade union secretary
——

Susanne Herberger, Dresden
Engineer (FH) – information technology,
Chairwoman of the General Works Council of ThyssenKrupp Aufzüge GmbH,
Chairwoman of the Works Council Union ThyssenKrupp Elevator Technology
Within the Group:
- • ThyssenKrupp Elevator AG

Bernd Kalwa, Krefeld
Lathe operator,
Chairman of the General Works Council of ThyssenKrupp Nirosta GmbH,
Chairman of the Works Council Union ThyssenKrupp Inoxum
Within the Group:
- • ThyssenKrupp Nirosta GmbH

Prof. Dr. Hans-Peter Keitel, Essen
President of the Federation of German Industries (Bundesverband der Deutschen Industrie e.V.)
- • Deutsche Messe AG
- • Commerzbank AG
- • National-Bank AG
- – Heitkamp & Thumann Group (Member of the Advisory Board)
- – RAG Foundation (Member of the Board of Trustees)

Ernst-August Kiel, Blumenthal
Fitter,
Chairman of the Works Council of Howaldtswerke-Deutsche Werft GmbH,
Chairman of the Works Council Union of ThyssenKrupp Marine Systems
Within the Group:
- • Howaldtswerke-Deutsche Werft GmbH
- • ThyssenKrupp Marine Systems AG

Prof. Dr. Ulrich Lehner, Düsseldorf
Member of the Shareholders' Committee of Henkel AG & Co. KGaA
- • Deutsche Telekom AG (Chair)
- • E.ON SE
- • Henkel Management AG
- • Porsche Automobil Holding SE
- – Dr. August Oetker KG (Member of the Advisory Board)
- – Henkel AG & Co. KGaA (Member of the Shareholders' Committee)
- – Novartis AG/Switzerland (Member of the Board of Directors)

• Membership of supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)
- Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)

Sabine Maaßen, Dinslaken
Legal Counsel, IG Metall

Prof. Dr. Bernhard Pellens, Bochum
Professor of Business Studies and International Accounting, Ruhr University Bochum
– AKAFÖ – Akademisches Förderungswerk Bochum (Member of the Advisory Board)

Peter Remmler, Wolfsburg
Wholesale and export trader,
Chairman of the Works Council of ThyssenKrupp Schulte GmbH (Braunschweig),
Chairman of the Works Council Union ThyssenKrupp Materials Services
Within the Group:
• ThyssenKrupp Materials International GmbH

Dr. Kersten v. Schenck, Bad Homburg
Attorney and notary public
• Baumarkt Praktiker Deutschland GmbH (Chair)
• Praktiker AG (Chair)

Carola Gräfin v. Schmettow, Düsseldorf
(since January 30, 2012)
Member of the Management Board of HSBC Trinkaus & Burkhardt AG
– HSBC Global Asset Management Deutschland GmbH (Chairwoman of the Supervisory Board)
– Internationale Kapitalanlage-gesellschaft mbH (Chairwoman of the Supervisory Board)
– HSBC Trinkaus Investment Managers S.A./Luxembourg (Chairwoman of the Supervisory Board)
– HSBC Trinkaus & Burkhardt (International) S.A./Luxembourg (Member of the Supervisory Board)

Wilhelm Segerath, Duisburg
Automotive bodymaker,
Chairman of the Group Works Council of ThyssenKrupp AG

Peer Steinbrück, Bonn
(until December 31, 2012)
Member of the German Parliament, Federal Minister (retd.)
– Borussia Dortmund GmbH & Co. KGaA

Christian Streiff, Paris
Former President of PSA Peugeot Citroën S.A.
– Bridgepoint Ltd./United Kingdom
– Crédit Agricole S.A./France
– Finmeccanica S.p.A./Italy
– TI Automotive Ltd./United Kingdom

Jürgen R. Thumann, Düsseldorf
Chairman of the Advisory Board of Heitkamp & Thumann Group
• HanseMerkur Holding AG
• HanseMerkur Krankenversicherung auf Gegenseitigkeit
– Heitkamp & Thumann Group (Chairman of the Advisory Board)

Prof. Dr. Beatrice Weder di Mauro, Frankfurt/Main
Professor of Economics, Economic Policy & International Macroeconomics, Johannes Gutenberg University of Mainz
– DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH (Member of the Supervisory Board)
– Roche AG/Switzerland (Member of the Board of Directors)
– UBS AG/Switzerland (Member of the Board of Directors)

Klaus Wiercimok, Düsseldorf
Attorney,
Head of the Materials Services department at Corporate Center Legal of ThyssenKrupp AG

Mr. **Thomas Schlenz** and
Prof. Dr.-Ing. Ekkehard D. Schulz
resigned from the Supervisory Board in the course of the 2011/2012 fiscal year.
Insofar as they held other directorships at the time of their departure, these are listed below:

Thomas Schlenz, Duisburg
(until July 31, 2012)
Shift foreman,
Member of the Executive Board of ThyssenKrupp Steel Europe AG
– PEAG Personalentwicklungs- und Arbeitsmarktagentur GmbH
– Wisag Produktionsservice GmbH
Within the Group:
• ThyssenKrupp Materials International GmbH
• ThyssenKrupp MillServices & Systems GmbH

Prof. Dr.-Ing. Ekkehard D. Schulz, Krefeld
(until December 31, 2011)
Former Chairman of the Executive Board of ThyssenKrupp AG
• AXA Konzern AG
• Bayer AG
• MAN SE (Vice Chair)
• RWE AG

• Membership of supervisory boards within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)
- Membership of comparable German and non-German control bodies of business enterprises within the meaning of Art. 125 of the German Stock Corporation Act (AktG) (as of September 30, 2012)

Glossary

A

Average collection period
Trade accounts receivable divided by sales, multiplied by 360 (the lower the ratio, the faster customers pay)

C

Capital Employed
Interest-bearing invested capital

Coating
Corrosion protection for carbon steel by the application of a metallic or organic coating

Compliance
Adherence to laws and company policies

Corporate governance
Term for responsible corporate management and control geared to long-term value creation

Corporate governance declaration
Declaration by a stock corporation under Art. 289a German GAAP (HGB) containing a description of how the executive board and supervisory board operate, the declaration of conformity and information about governance practices

Cost of capital
Minimum return required by capital providers

D

DAX
Deutscher Aktienindex (German Stock Index), compiled by Deutsche Börse. The index reflects the performance of the 30 largest and strongest-selling German stocks, including ThyssenKrupp stock.

Declaration of conformity
Declaration by Executive Board and Supervisory Board in accordance with Art. 161 Stock Corporation Act (AktG) on the implementation of the recommendations of the Government Commission on the German Corporate Governance Code

DJ STOXX
Dow Jones STOXX 600, compiled by index provider Stoxx Ltd. It lists the performance of 600 companies from 18 European countries.

E

EBIT
Earnings Before Interest, Taxes

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization

EBT
Earnings Before Taxes

Emerging markets
Up and coming markets of Asia, Latin America and Eastern Europe

Equity ratio
Ratio of total equity to balance sheet total (the higher the ratio, the lower the indebtedness)

F

Fraud
Action which, by willful intent or gross negligence, causes damage to a company or third party through deception, concealment or breach of trust.

Free cash flow (before dividend)
Operating cash flows less cash flows from investing activities

Free float
Shareholding generally taken into account in the weighting of ThyssenKrupp's stock in stock indices such as the DAX or DJ STOXX

FFO/Total Debt
Ratio of operating cash flow before changes in net working capital to total debt (the higher the ratio, the better a company's ability to pay its debts from operating activities). FFO stands for Funds From Operations.

G

Gearing
Ratio of financial liabilities to total equity (the lower the ratio, the higher the share of total equity in the interest-bearing capital employed)

Gross income
Net sales less cost of sales

I

impact
Corporate program to enhance performance and implement the company strategy

Internal financing strength
Ratio of operating cash flows to cash flows from investing activities

International Financial Reporting Standards (IFRS)
The standard international accounting rules are intended to make company data more comparable. Under an EU regulation, listed companies must report in accordance with these rules.

Inventory turnover
Inventories divided by sales, multiplied by 360 (the lower the ratio, the faster the inventory turnover)

L

Long Term Incentive plan (LTI)
Long-term variable compensation for Executive Board members and other selected executives through stock rights

M

Matrix organization
Company management structure reflecting multiple dimensions such as business, function and region. Particular advantages are more intensive communication and cooperation between employees and greater flexibility.

Mid Term Incentive plan (MTI)
Mid-term variable compensation for Executive Board members and other selected executives through stock rights

O

Operating cash flow
Inflow/outflow of cash and cash equivalents other than from investing, disposal or financing activities

R

Rating
Ratings are used to assess the future ability of a company to meet its payment obligations on time and in full. They are based on an analysis of quantitative and qualitative factors.

ROCE
Return on Capital Employed

S

Slab
Compact block of crude steel as starting product for sheet or strip

Supply chain management
Integrated planning, control and monitoring of all logistics activities in a supply chain

SWOT analysis
Instrument for analyzing situations and identifying strategies. SWOT stands for Strengths, Weaknesses, Opportunities and Threats.

synergize+
Program for the Groupwide management of all purchasing activities. It is part of the impact Performance initiative.

T

ThyssenKrupp Value Added (TKVA)
Central indicator for value-based management, comparing earnings before taxes and interest with cost of capital

Tinplate
Thin steel sheet for the packaging industry electrolytically coated with tin or chromium

Index

List of abbreviations

A

AktG
German Stock Corporation Act (Aktiengesetz)

B

BIC
Brazil, India and China

BRIC
Brazil, Russia, India and China

C

CESR
Committee of European Securities Regulators

CGU
Cash Generating Unit

CO_2
Carbon dioxide

D

DAX
German stock index

DEHSt
German emissions trading office

DJ STOXX
Dow Jones STOXX

DRS
German accounting standard

DSR
German Accounting Standards Board

E

EnMS
Energy management system

EPS
Earnings per share

F

FFO/TD
Funds From Operations/Total Debt

H

HGB
German Commercial Code

I

IAS
International Accounting Standards

IASB
International Accounting Standards Board

IFRIC
International Financial Reporting Interpretations Committee and interpretation of IFRIC

IFRS
International Financial Reporting Standards

IT
Information technology

L

LTI
Long Term Incentive plan

M

MitbestG
German Codetermination Law

MTI
Mid Term Incentive plan

R

ROCE
Return on Capital Employed

S

SPE
Special Purpose Entity

T

TKVA
ThyssenKrupp Value Added

V

VorstAG
Act on the Appropriateness of Management Remuneration

W

WACC
Weighted Average Cost of Capital

WpHG
German Securities Trading Act

Index of tables and graphics

Facts - ThyssenKrupp overview 2011/2012

To our shareholders

Management report on the Group

Contact and 2013/2014 dates

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2013/2014 dates

January 18, 2013
Annual General Meeting

February 12, 2013
Interim report
1st quarter 2012/2013 (October to December)
Conference call with analysts and investors

May 15, 2013
Interim report
1st half 2012/2013 (October to March)
Conference call with analysts and investors

August 14, 2013
Interim report
9 months 2012/2013 (October to June)
Conference call with analysts and investors

November 21, 2013
Annual press conference
Analysts' and investors' conference

January 17, 2014
Annual General Meeting

Forward-looking statements
This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. ThyssenKrupp does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Rounding differences and rates of change
Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets ( ). Very high positive and negative rates of change (≥1,000% or ≤(100)%) are indicated by ++ and −− respectively.

Variances for technical reasons
For technical reasons (e.g. conversion of electronic formats) there may be variances between the accounting documents contained in this annual report and those submitted to the electronic Federal Gazette (Bundesanzeiger). In this case, the version submitted to the electronic Federal Gazette shall be binding.

This English version of the annual report is a translation of the original German version; in the event of variances, the German shall take precedence over the English translation.

Both language versions of the annual report can be downloaded from the internet at **www.thyssenkrupp.com**. An interactive online version of the annual report is also available on our website.

On request we would be pleased to send you further copies free of charge:
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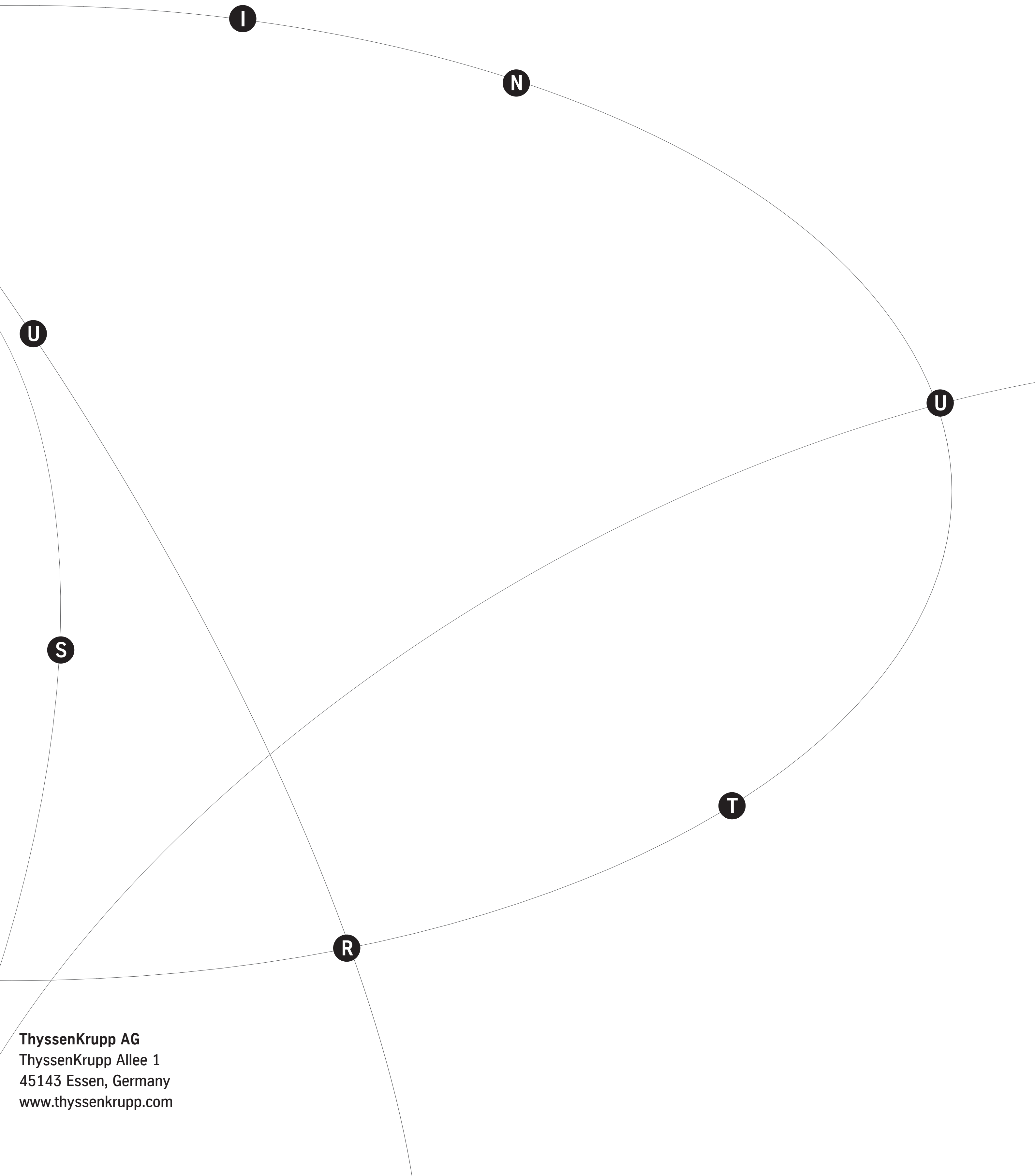

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